FINANCIAL TIMES

No. 26,859 Saturday January 3 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pta.35; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50

NEWS SUMMARY

GENERAL

Portugal faces anger at shooting

Portugal faces angry protests over the shooting of Left-wing demonstrators who came out on behalf of military prisoners held since the November 25 rebellion.

According to an official spokesman in Oporto, the National Guard opened fire only after hearing what appeared to be pistol fire coming from the crowd, and when it appeared that the protesters were about to storm the prison.

Three people died and seven were injured when the National Guard fired into the crowd outside Custolas Prison near Oporto on New Year's Day. The shootings came in the wake of increasing disquiet over the government's failure to bring to trial detainees of both Right and Left since the April 15, 1974, coup. Back Page.

Pilgrims escape

A Saudi Airlines DC-10 with 360 Moslem pilgrims and 13 crew aboard, crash-landed on a darkened runway at Istanbul early yesterday after an engine caught fire. It slewed across the runway before everyone on board got out, with only a few people slightly injured. In Beirut, airlines sources said sabotage was ruled out as the cause of the New Year's Day crash of an MEA jet in Saudi Arabia.

Shops blown up

Terrorists blew up three city centre stores in Belfast yesterday as bargain hunters thronged the sales. A furniture store, a man's boutique and a tailor's were destroyed, but there were no reports of any injuries. Back Page

Envoy recalled

South Africa has recalled its ambassador to Brazil after Brazil decided to close its ports to competitors in the Cape to Rio yacht race. Brazil said it was a gesture of support to the UN, South Africa said it was "very disturbing." Page 13

Beirut deserted

Lebanon's latest ceasefire took hold in Beirut yesterday, but fears of renewed clashes between Christian and Moslem gunmen kept the streets deserted. Banks and businesses were due to reopen, but there was little sign of confidence returning. Page 13

Transport Call

Further restrictions on private cars in cities and more subsidies for public transport to rescue bus services from "severe financial difficulty" have been called for by the Transport and General Workers' Union. Page 15.

People and places

Gales lashed most of Britain last night, damaging power and telephone lines and forcing speed restrictions on motorways.

Port Everglades divers repaired a 5-foot gash in the QE2's hull after she hit a rock at Nassau.

The Shah of Iran has cancelled a planned visit to Austria for the February Winter Olympics for security reasons following the recent OPEC kidnapping in Vienna.

January £75,000 premium bond winner (9WW 030070) lives in Birmingham.

Young policeman, posing as a priest, climbed a 200 ft. crane and walked along the jib to rescue an escaped mental patient in Manchester.

Canada had a death-free New Year on the roads for the first time in the motoring age.

Russian who *stole* two Christmas trees from a Moscow park got 30 months' jail and a £90 fine.

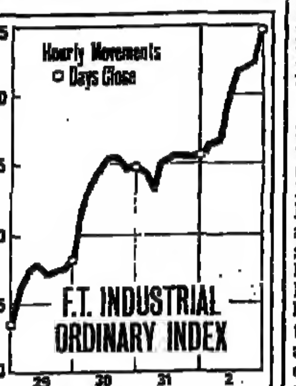
The "land mine" found beneath Weymouth Pier on Thursday turned out to be part of a ship's dustbin.

Young Lebanese yesterday learned new respect for his *mother-in-law's fortune-telling* prowess. As she told him he was due for an unpleasant surprise, a sniper shot a coffee cup out of his hand.

BUSINESS

Equities climb to two-year peak

● **EQUITIES** improved sharply following the ¼ per cent. cut in the Minimum Lending Rate to 11 per cent. The FT 30-Share index gained 9.1 to 384.8, decisively breaking the 1975 high of 377.8 in November and the highest point since 1973. The FT-Actuaries All-Share index gained 1.5 per cent. to 160.52, while the Property index gained 3.6 to 180.79 and the Gold Mines index was 8.9 up at 246.9. THE GILTS index gained 0.36 to 60.19.



● **GOLD** was unchanged at $140¼.

● **STERLING** gained 7½ points to $2.0245; its weighted depreciation narrowed to 30 (30.1) *per cent. The dollar's* was unchanged at 1.79 per cent.

● **WALL STREET** closed 6.30 up at 858.71 on a 2.2 per cent. increase in retail sales last week.

Slower post from Monday

● **POST OFFICE** is cutting the number of workers handling second-class mail to save £60m. in the current financial year. Many second-class letters will take longer to be delivered from Monday. Back Page

● **INDUSTRY** and business made a very slow return to work yesterday with many employees adding the day to a break that began on the Tuesday before Christmas. Back Page

● **BBC JOURNALISTS** have postponed a threatened series of weekly one-day strikes pending a meeting between management and National Union of Journalists' officials. Page 8

● **MR. DAVID JACKSON**, who formed a policyholders protection committee to help customers of the failed Nation Life Insurance, has intervened in the affairs of Lifeguard Assurance, which has been forced to stop taking new business. Page 15

● **FRENCH** wine-growers have accepted a Government offer to *set up a new professional body* of producers and growers to supervise the market. The growers fear that cut-price Italian imports are destroying their livelihood. Page 13

Chemical output shows increase

● **CHEMICAL** output in the U.K. rose by 3 per cent. in the third quarter of 1975, according to Government figures. This may mean destocking by the industry has come to an end. Page 8

● **THREE** candidates to succeed Mr. Michael Marriott, who died last month, as Stock Exchange chairman in next Tuesday's election are Mr. David LeRoy-Lewis, Mr. James Dundas Hamilton and Mr. Nicholas Goodison. Page 15

● **UNITED** Kingdom Provident *will no longer guarantee surrender* values on its new life policies in 1976. It was the last British company to print the guarantee on the policy document. Page 8

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3¼% 1977-80	£84	+ ½
Transport 3% 1978-88	£46¾	+ ½
Allen Harvey & Ross	410	+ 30
Berkeley Hambro	99	+ 8
Bestwood	17	+ 7
Boots	133	+ 7
"Bats"	356	+ 10
British Northrop	76	+ 10
Furness Withy	184	+ 6
GEC	149	+ 7
Gillette Bros.	215	+ 12
Glaxo	378	+ 8
GUS 'A'	212	+ 7
Guardian Royal Ex.	202	+ 7
GKN	272	+ 6
Howard Machinery	46½	+ 3½
ICI	339	+ 5
Land Secs.	192	+ 10
Lloyds Bank	240	+ 7
Lucas Inds.	191	+ 6
MEPC	89	+ 6
Marks and Spencer	101	+ 5
Nat. Westminster	258	+ 8
Philips' Lamp	883	+ 38
Stock Conversion	186	+ 11
Tate and Lyle	235	+ 7
Thorn Elect.	228	+ 12
Unilever	442	+ 12
Union Discount	370	+ 10
BP	592	+ 9
Shell Transport	388	+ 10
Botswana	62	+ 5
Charter Cons.	186	+ 6
De Beers Dfd.	306	+ 8
Gold Fields Prop.	220	+ 6
Pots. Plat.	158	+ 6
RTZ	192	+ 5
Southvaal	740	+ 40
Winkelhaak	920	+ 70

FALLS

Channel Tunnel	45	− 20

Cuts in MLR and Lloyds' base rate give gilts a boost

BY ANTHONY HARRIS

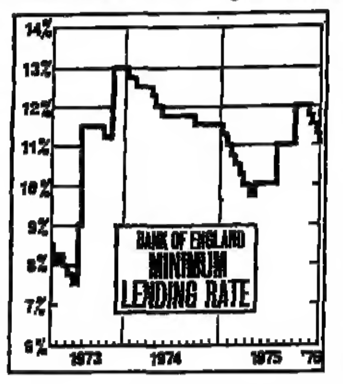
An unexpected quarter-point cut to 11 per cent. in Minimum Lending Rate—the second during the holiday period—and an equally unexpected *half-point* cut in base lending rate to 10½ per cent. by Lloyds Bank lifted an already buoyant market in Government securities yesterday.

In what one broker described as "near-panic buying," the Government broker is estimated to have sold at least £100m. of stock, while prices rose by up to 87½p. Equity prices rose more sharply on relatively thin demand, and the FT index reached a 25-month high at 384.8.

The move towards lower interest rates has been given impetus by very easy monetary conditions in both London and *New York. In the U.S.*, the Federal Reserve Board has been adopting a steadily easier credit stance since the news on Monday that the money supply had fallen by $1bn., in a month, bringing monetary growth over the last three months to an annual rate of only 1.6 per cent., compared to the official target of 5-7½ per cent.

Although prime lending rates remained unchanged yesterday, a fall is widely expected; and since a rise in U.S. rates is seen as the main threat to continued easing in London, the New York news has helped to sustain a vigorous market here, even during the thinly-manned holiday period.

The fall in the MLR nevertheless took part of the discount market completely by surprise, and tenders based on the expectation of an unchanged rate were unsuccessful. In an unusual move, the Bank of England sold Treasury bills from its own portfolio to the market on the day of the tender —a measure of the extremely easy conditions, despite the recently-announced fall in the money supply.



The authorities have in fact been taking advantage of the strength of the gilts market to reduce the swollen issue of Treasury bills; the last two tenders have reduced the total issue of £350m., and the sale from the Bank portfolio can therefore be seen as a smoothing operation. This seems to be confirmed by the announcement that at the next tender, £200m. of bills will be offered to replace the same sum in maturing bills.

However, it is the low commercial demand for credit which is clearly setting the tone. Apart from the Lloyd's base rate cut—it is highly unusual for this particular bank to lead the market down—brokers reported that more than one clearing bank was selling gilts with under one year to maturity, which count as reserve assets, and reinvesting the money in longer-dated and higher yielding stocks. Such a move to reduce available reserves seems to confirm that the recent rise in seasonally-adjusted private bank borrowing is not being seen as the start of any solid revival in demand.

Other investors were also switching into longer-dated *securities, brokers reported*. This again suggests that the buying is inspired by something more than the movement of the market itself.

Among the factors cited as encouraging the market were the IMF approval of credits for the U.K., together with the fund's endorsement of British policy objectives; and the latest economic forecasts from the U.S., which suggest subdued growth for 1976, with a very flat period—and a slack credit market—in the next few months.

Apart from the reduced Administration growth forecasts reported in the FT yesterday, a *Wall Street forecast from White* Weld estimated the growth rate over the past and present quarter at only 2-2½ per cent. at an annual rate. This helps to push the spectre of rising U.S. rates to a safe distance.

The likelihood of such pressure has in any case been reduced in recent weeks. At 11 per cent.

Continued on Back Page

Stores find a bargain in the January sales

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

AGAINST ALL expectations, volume sales in the first week *of the January sales are well up* on last year in most stores. After what the director of one department store group described as a "wretched" Christmas, the clearance sales are being hailed as "fantastic" and "totally ridiculous."

The increase has been right across the board and few stores will admit to a volume increase of less than 5 per cent. on last year. Debenhams said that after inflation had been taken into account, sales in the first week of its sale looked like being the best in the company's history.

Bursting point

The Lewis's group, which operates Selfridges in Oxford Street as well as a chain of provincial stores, said volume sales were over 10 per cent. above last year. On the first day of the Selfridges sale, for example, sales were 55 per cent. up in real terms on the first day of last *year's* sale while even in the storm-tossed North of England the Lewis's stores were filled to bursting point yesterday. The John Lewis Partnership sales in all department of its West End stores were above estimates with electrical goods, coats and soft furnishings selling "incredibly well."

Retailers warned, however, that the current spending-spree could come to a sudden end once the sales were over. February and March are seen as being *very difficult months for trade* and many stores will continue price-cutting heavily well into the spring in an attempt to boost sales.

Even if the momentum of the last week is maintained for the rest of January, it will not make up for the slow Christmas build-up nor provide what one retailer described as "an adequate cushion" for the expected fall-off in February. During the spring, sales are expected to resume the trend seen in the autumn when volume was running between 4 per cent. and 5 per cent. below the level seen in the same period in 1974.

The story from all over the country this week seemed to be that though shoppers had been more cautious with their spending at Christmas, they were prepared to spend large amounts on what looked like genuine bargains in the sales. Many retailers have bought in more merchandise for the clearance sales than in previous years, while some have also increased the proportion of stock they put into the sales in an attempt to get rid of it before February. Generally, retailers have not found it difficult to buy in merchandise at good prices as manufacturers, some of them *with severe cash flow problems*, are also anxious to clear their stocks.

Some groups, however, have been caught short by the rush *of customers this week*. Though some companies had forecast that the sales would be good, they have exceeded all expectations and Selfridges warned that there might be gaps on the shelves in some departments to-day, as, with most of their suppliers not starting work again until Monday, the store was unable to get fresh stock or all the stock it needed until next week.

Cash, not credit

Most stores said that the increased volume was coming in the form of cash sales rather than credit purchases. In the first day of the Selfridges sale, for example, 80 per cent. of its takings were in cash. Even the larger consumer durables, like furniture have tended to be paid for in cash, in spite of the relaxation of hire purchase controls, with sales picking up noticeably yesterday.

The *beginning of the clearance* sales has been helped by the fact that so many people have had the whole week from work and many shops said there were more men in many of the stores than usual. Most retailers however, forecast that the boom will continue even after the return to work though at least one store was regretting that it had delayed the start of its sale until next Wednesday.

British Airways expects further net loss, despite revenue rise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is expected to incur another net loss in the current financial year, ending next March 31, despite a substantial increase in revenues. In 1974-75, the net loss was £9.4m.

Mr. Henry Marking, deputy chairman and managing director, tells staff in the latest issue of British Airways News that costs continue to rise at a frightening rate, outpacing revenues.

This year, he says, costs are expected to be up by £128m., or 19 per cent., on the 1974-75 level.

As a result, the airline will have to continue to practise tough housekeeping measures through 1976—a year in which world-wide, the growth in air traffic is not expected to be much more than 5 per cent., while on the airline's European routes another year of zero-growth is expected.

In the home market, which accounts for some 40 per cent. of the airline's revenues, the recession has bitten deeper, making business much more *difficult to obtain*.

Mr. Marking says the airline intends to exploit Concorde fully. The start of fare-paying passenger services to Bahrain on January 21, at the same time as Air France starts services to Rio de Janeiro, via Dakar, is likened by Mr. Marking to the start of powered flight in the long-term implications for world civil aviation.

The airline yesterday denied suggestions that there had been a slump in bookings for Con*corde. With over 750 seats to* Bahrain sold so far—with the first two flights fully booked and the next three nearly so—the airline said bookings were coming in steadily, although the first flood was over.

"The present situation is what we would have expected," *a spokesman said. "This is a* businessmen's aircraft. They do not book far ahead—a week at most, and usually only a couple of days. We will not get their bookings until well into January."

The airline is beginning a period of intensive preparation for the services. Talks are still in progress on the rates for the flight-deck crews on Concorde.

The British Air Line Pilots' Association is seeking a substantially higher rate than the present first-class *senior captain's* pay of £14,000 for subsonic jets. Although no figure is being disclosed, it is believed to be somewhere in the £17,000-£20,000 bracket.

This is well below the maximum of £42,000 that Air France Concorde pilots are expected to earn—although it is pointed out that this figure reflects both the costs and standards of living in France and the effect of exchange rates, and so cannot be directly compared with U.K. Concorde pilots' pay.

The U.K. Concorde pay talks are understood to be centred on how the pilots can be paid more without breaching the Government's pay policy guidelines.

£ in New York

—	Jan. 2	Previous
Spot	$2.0245-0250	$2.0235-0245
1 month	0.88-0.83 dis	0.87-0.82 dis
3 months	2.54-2.49 dis	2.58-2.53 dis
12 months	8.20-8.10 dis	8.37-8.27 dis

Jobs safe Harland workers told

By Alan Watson

BELFAST, Jan. 2.

MORE THAN 9,000 workers at the Belfast shipyard of Harland and Wolff have been told that their jobs are, for the present at least, safe because of a considerable increase in productivity in the last three months of 1975.

The news that the yard had pulled itself out of a crisis which only months ago *threatened to close it, came in* an announcement from Mr. Ronald Punt, the managing director, who said that Harlands, if it continued *to improve* at the same rate, would soon be "back on course."

Mr. Stanley Orme, Northern Ireland Minister of State, warned the yard on October 2 that the Government, which has put £60m. into the Belfast operation and promised to cover £60m. more losses if necessary, wanted to see a significant increase in steel throughput and productivity before the end of 1975.

A spokesman for the company said last night that the workforce at the yard had given its answer to Mr. Orme. He described the productivity figures as extremely heartening for the future.

Since Mr. Orme's virtual ultimatum, a steady increase in the steel throughput has occurred, and during the week ending December 5, it reached the highest figure ever recorded at the yard.

Harland said it should be emphasised that because of weather conditions and programming requirements, considerable fluctuations could occur in the weekly amount of steel moved in the yard. Isolated weekly figures could therefore give a misleading picture.

What was significant, however, was the sustained movement towards a higher level of production.

Over the past three months, considerable progress had been *made. Production targets against* which the performance of the company is regularly monitored have been achieved.

Last Chrysler plant accepts aid package

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE LAST Chrysler plant to consider the Government-devised £162m. programme for re-establishing the company yesterday voted overwhelmingly to accept it just 24 hours before the deadline.

But only some 500 of the 4,300 employees at the Avenger car plant at Ryton, Coventry, bothered to attend the mass meeting in the rain to vote on a package that will make two in three of them redundant. Only about 20 hands were raised against accepting the programme at the meeting which lasted less than half an hour.

Their acceptance paved the way for Government funds to be released since all other factories in Scotland, the Midlands and in the Luton area have already agreed to the scheme.

Bitterness

The bitterness against the Government, Chrysler management and union executive officers expressed at individual factory meetings was lessened somewhat by the company's willingness to negotiate voluntary redundancy instead of imposing it on the basis of last in, first out.

However, this will only be within the compass of maintaining balanced labour forces in terms of skills in the many departments. For almost all of those who have been with the company three or four years it *means no more than the statutory* three or four weeks' redundancy pay.

Demands for improved severance pay, filling future vacancies with those still out of work, work-sharing—which at Ryton the company has said would cost an extra £500,000—and other devices for softening the effects of the dismissals, have been turned down.

This is chiefly due to costs. Chrysler has stated that its financial position becomes critical this week-end, and it *has* to operate the rescue plan within the financial limits laid down. Unless the plan was agreed by *this week-end to enable Government's* money to be released, Chrysler could not continue to operate its factories.

Nevertheless, ways of mitigating hardship will be vigorously pursued to-day when the senior shop stewards from all the U.K. factories and their national union executive officers led by Mr. Bob Wright, an executive member of the Amalgamated Union of Engineering workers, meet management again to formalise the plant acceptances and turn their attention to the future.

The only rejection of the package has come from the white collar unions. The 700 Association of Scientific, Technical and Managerial Staffs' members at Chrysler's Midlands factories yesterday voted to reject the scheme and their representatives demanded negotiations, without specifying on what subjects. The Technical and Supervisory section (TASS) of the AUEW has also been actively campaigning against acceptance.

However, it is the attitude of the production workers that is crucial to the whole deal and now they have assented to it the fact that some of the staff are still objecting to certain facets of it will not be allowed to impede progress.

It is expected that the first tranche to help the company through its critical financial period will be authorised on Monday.

Last night Mr. Rob McCusker, assistant secretary of ASTMS and one of the white collar union *leaders in the negotiations*, made it clear that he would be recommending acceptance to-day as the lesser evil in order to save 17,000 out of the 25,000 jobs at Chrysler's U.K. factories.

Mr. McCusker is flying on Monday to Paris, where he will be joined by Coventry branch officials, to meet officers of the French metal workers and automotive unions.

Simca plant

While workers at Chrysler's French Simca plant have indicated that they will make no objections to supplying Ryton with kits of the new Alpine for assembly there, Mr. McCusker is

Continued on Back Page

FEATURES

Bidding for a new school curriculum	14
Flying out on a wing and a prayer	15

FT REPORTS

Portfolio planning	9-12
Taking your car on holiday	18

ON OTHER PAGES

Appointments	21	How to Spend It	7	TV and Radio	2
Arts	6	Insurance	4	U.K. Conv. Stocks	23
Bank Return	21	Labour News	15	Unit Trusts	3 & 25
Base Lending Rates	24	Leading Article	14	Wall St. & Prices	20
Bridge	5	Letters	14	Weather	28
Careers & Education	4	Lex	28	Your Savings & Inv.	3
Chess	13	Man of the Week	28		
Collecting Wisely	6	Mines in the News	2		
Commodities	21	Money & Exchanges	24		
Company News	16, 17, 21	Motoring	5		
Crossword Puzzle	4 & 20	Overseas News	13		
Entertainment Guide	13	Property & Housing	5		
Finance & Family	4	Racing	20		
FT-Actuaries Indices	24	Share Information	26 & 27		
FT Clipper Race	22	Stock Exch. Report	24		
Gardening	19	SE Week's Dealings	22-23		
Golf	5	Tennis	4		
Home News	8 & 21	Travel	19		

OFFERS FOR SALE

Arbuthnot Income	21
Abbey Property Bd.	8
Barclays Exchange	1
Crescent Internl.	15
Gartmore American	3
Lawson High	25
Ldn. Life CTT Plan	4
Tyndall Income Bd.	17

For latest Share Index 'phone 01-246 8026

هكذا من الأصل

The week in London and New York

Equities move up through 380

The market failed to ring out the old year at a new peak—but only just. Yesterday the 30-Share Index closed at 384.8 for a rise of 21.4 points over the four trading sessions of this week. That puts equities comfortably ahead of their best of 1975 (377.8) and dealing volume over the past couple of days has been usefully perky. Gilts continue to push ahead. MLR eased another ¼ point yesterday (its second reduction in two weeks), inter-bank rates have been moving lower all week and the gilt market figures prominently in the Press "tips" for the New Year.

For their part, the broader based actuaries have only just failed to keep pace with the leaders where Unilever, Bats, ICI and Beecham have all been hitting new highs. And it is interesting to note that over the past month some of the sharper performing sectors have been property, hire purchase and wines and spirits—all of which emerge at the bottom end of the *charts taking their performance* over 1975 as a whole. The economy may not be going to show much real growth this year: but at this stage cash, gold and property are not looking premium investments, and yesterday the bull market made a surprisingly firm start to 1976.

As for this week's "stories," Slater Walker has risen more than a *fifth* this week, and against a background of Arab share dealings Lonrho has recently been keeping its relative price weakness at bay, though the shares are still a fifth short of their 1975 best. In fact, rises among FT quoted stocks have been running well ahead of falls all week, and even the Channel Tunnel has come in for a burst of New Year betting.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM DECEMBER 4

	% Rise
Property	+13.1
Wines & Spirits	+ 9.9
Electronics, Radio & TV	+ 9.4
Hire Purchase	+ 7.6
Discount Houses	+ 7.0
Building Materials	+ 6.1
All-Share Index	+ 2.7

THE WORST PERFORMERS	% Fall
Investment Trusts	— 0.1
Contracting & Construction	— 0.4
Insurance (Brokers)	— 0.7
Breweries	— 1.7
Office Equipment	— 2.0
Shipping	— 2.6

Electronic Rentals expands again

The evening of New Year's Eve is an odd, but apparently recently popular time to produce company news—in 1974 there was the disclosure of Burmah's troubles and this week brought the announcement by Electronic Rentals of the £23m. acquisition of TV rental assets from Philips, which wanted to reach agreement by midnight on December 31, its year end, for balance sheet reasons. The deal, which stands to increase ER's TV rental income by over 30 per cent, has a number of unusual features: for example, the Treasury has agreed to a substantial increase in the dividend—over three-quarters on an annualised basis — principally because around £3m. of the cost is being paid for by a share *placing which will keep Philips'* stake below the 30 per cent. mark. Moreover, ER also needs to increase its yield to secure early conversion of its £3.1m. loan and hence avoid exceeding its borrowing limits. But there is apparently no obvious dividend loophole here for other groups desiring early conversion since the key factor for the Treasury seems to have been the placing as it raises new money, rather than the convertible offer.

The other unusual point is that the offer document is likely to contain a profit forecast for *the enlarged group for the year* ending March, 1977. This is not as adventurous as it might appear since the deal is not like the joining of, say, two separate manufacturing companies; there are definite operating advantages from a rise in density of sets per branch of between 6 and 11 per cent. Anyway, the underlying profits trend appears to be healthy enough with an increase of a fifth at the half-way stage of 1975-76 (adjusting for reorganisation costs)—and the shares have also been strong after a rise of 20 per cent. last month.

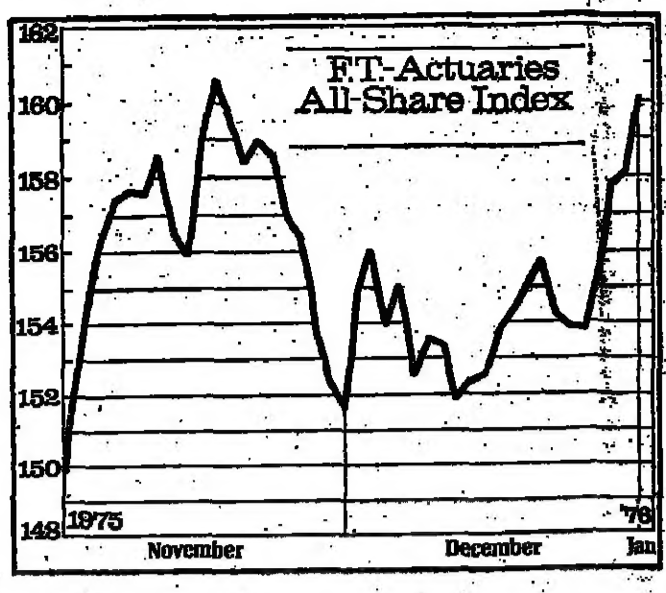
Sun sets on Jessel

Any last glimmering of hope for a reconstruction of Jessel Securities was finally snuffed out this week when the group announced that it was going into liquidation. Unsecured creditors are to receive an estimated 30p in the pound—but this is to be spread over a number of years, and the clear-cut implication is that the equity shares are worthless. *They were suspended* nearly 15 months ago at 11p, against 1972's peak of 135p.

Jessel has spent most of 1975 selling its stakes in groups like LAGS and Johnson and Firth Brown, and as a result nearly all the secured creditors have been paid out in full. What remains within Jessel is a handful of less realisable assets, and this apparently was no base upon which to rebuild a reconstructed company. As for the holders of the unsecured loan, Monday's liquidation statement suggests that this is worth little more than a fifth of its outstanding £10m. nominal value.

Timber in from the cold

The major cause of Jessel's demise lies with the failure of the company's life assurance offshoot London Indemnity and General (net worth at June 1973, £29.5m.; trading losses £21.5m.) to which Jessel still owes £6.5m. A consortium of insurance companies came to the rescue of the LIG policyholders.



Having moved broadly in line with the market up to the end *of August, our building* materials sector has outperformed the averages by a street during the past four months—rising well over a quarter. The strength of timber shares has been one explanation, notably Magnet and Southerns following their decision to merge. But the straightforward trading situations have all shown plenty *of bounce, and Mallinson and* Meyer—up over a fifth and a half respectively since the end of August—have been pushing new highs this week. The latest review of the sector—the 1975 supplement to Savory Miln's Building Book—provides some timely data.

Savory projects profits recovery for the leading shares this year and *in general* rates the sector a buy. But the brokers also provide a reminder of the financial characteristics of the industry—its dependence on bank financing within a borrowing ratio (debt to shareholders funds) of around 70 per cent., and a stock turn which last year averaged just five times. The cycle is clearly rising with stocks down to levels close to sales projections. But Savory's estimates of housing starts for 1976 point to growth of just 7 per cent. after a rise of an eighth last year.

Some timber balance sheets could be getting close to the point where a funding exercise becomes a possibility—with all that rights issues can imply for dividends. The average dividend cover for the leading shares is around 3½ times. Following 1975's string of acquisitions, Montague Meyer's borrowings could emerge modestly ahead of net worth when its calendar year comes to an end in March.

$ Premium

The level of the investment currency premium slipped a little further this week to 108 per cent. (adjusted to an effective 61¾ per cent.) reflecting a lack of institutional interest and a thin market. But although the level is below the peak of 121 reached in September last year it is still considerably higher than 88½ per cent. which *was the case a year ago.*

The question of whether it will remain over the 100 per cent. mark depends largely on the view which institutional investors take on the North American market. Normally there is an incentive to lighten the premium content of funds when the level is historically high and there is currently a renewed trend of *taking out dollar* loans. But these need the backing of a percentage of premium currency at the outset and also need topping up with premium dollars whenever sterling weakens against U.S. currency. The feeling is that there are definite supports to the premium at this level in the absence of any real supply and that the U.S. market would have to show a significant rise before the institutions were shaken out of premium holdings.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975/6 High	1975/6 Low	
F.T. Ind. Ord. Index	384.8	+21.4	384.8	146.0	Optimistic economic forecast
F.T. Gold Mines Index	246.9	+16.7	442.3	218.4	U.S. investment interest
Treasury 8¼% 1980/82	£86½	+ 1½	£91½	£72¾	Reflects current Gilt trend
British Northrop	76	+20	76	35	Follows return from suspension
Brown (John)	75	+16	120	42	Press recommendation for 1976
Cater Ryder	280	+33	280	110	In sympathy with Gilts
Channel Tunnel	45	+21	70	12	Speculative demand/thin market
De La Rue	204	+13	204	65	Press recommendation for 1976
English Property	68½	+10½	93	25	Press recommendation for 1976
Land Securities	192	+19	251	79½	Returning confidence in properties
Lesbrook	8	+ 5½	10	2½	TCK acquire nearly 30% stake
London Tin	167	+20	192	106	Bid hopes
Lonrho	131	+16	159	68	Kuwaiti share deal
Minorco	222	+24	315	182	U.S. demand
RTZ	192	+16	211	80	Copper recovery anticipations
Rockware	72	+ 7	72	20½	Sale of Slater Walker's 28% stake
Shell Transport	388	+26	390	118	Switching from Royal Dutch
Slater Walker	28	+ 5	108	17	Jim Slater's 2m. shares sold
Sunley (Bernard)	177	+34	198	90	Favourable Press comment
Tate and Lyle	255	+22	266	85	Results due soon

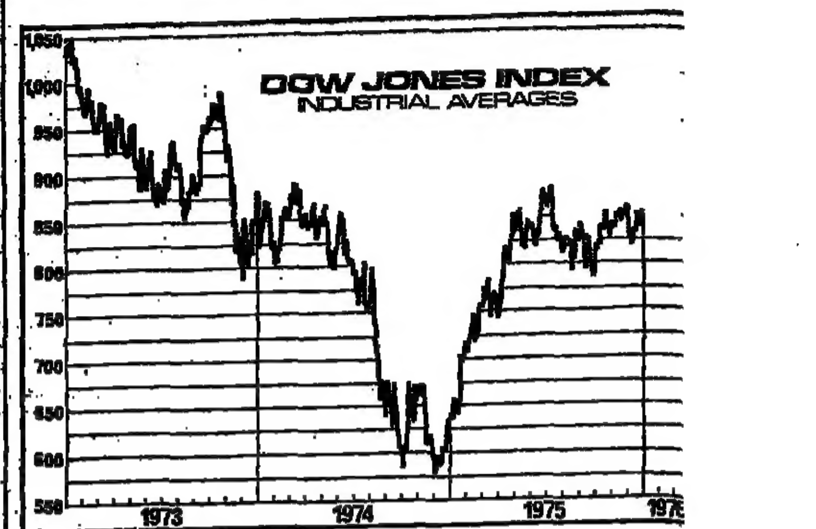
Best in 1975

BY JAY PALMER

PORTRAYING TO the very last the uncertainties and confusions which have so dominated trading over the last six months, Wall Street ended 1975 on a generally uninspired note. But a late rally developed yesterday, sending the Dow Jones Industrial Average up 8.30 to 858.71, reducing its net loss on the short week to 1.10.

For all the market's obvious lack of enthusiasm, 1975 will go down in stock market history as one of Wall Street's best years. The 236.17 point gain in the DJII recorded over the 12 months as a whole is the biggest point gain ever recorded in any one year. At the same time the 38.3 per cent. rise over the year is the best annual percentage gain since 1954.

During the year trading volume also reached new highs. The total 12 month volume of 4.7bn. shares (according to the new York Stock Exchange) represents a 34 per cent. gain on 1973 and, *more important*, a 15 per cent. jump on the previous record seen in 1972.



A year ago, investors and brokers trying to pick the *winners for 1975* would seem to have had little chance of succeeding. With few exceptions the 10 best performers over the past 12 months are all relatively small unknown companies spread out through a wide diversity of industries.

According to Interactive Data, a computer-timing company specialising in financial analysis 1975's top winner was Best Pro*ducts*, a company that retails general goods through catalogue showrooms. Its rise from around $2½ to $15½ represents a near 500 per cent. jump.

Following Best with percentage rises below 400 per cent were Morse Shoe, an operator of leased footwear departments in discount *stores*, National Semiconductor, Menasco Manufacturing and the Tandy Corporation. Just to give some idea of how the dark horses lead the way Tandy was the only eventual winner to start 1975 with a share price above $10.

By contrast the year's loser list was again dominated by the Real Estate Investment Trust; a sector that proved a disaster area for investors *in both 197*[4] and 1973. Of the 10 companies eight of the biggest decliners were REIT with State Mutual Investors and Guardian Mortgage Investors leading the retreat.

In terms of sectors, Interactive Data reports that the top performers list includes Hotels and Motels (up 200 per cent.), Shoemakers and Sellers (up 150 per cent.), *Pollution Control*, Motion Pictures, Restaurants and Publishers. On the other side of the coin Gold-mining (down 26 per cent.), Offshore Drilling and Finance Companies headed the worst performers.

Looking ahead into the investment crystal ball, the professional research houses now pushing out the new year's buy lists all seem to recommend old favourites such as Dow Chemical, IBM, General Motors and Xerox. By sectors, the researchers seem to be plumping for Drug Companies, Banks, Airlines and Chemicals.

DOW JONES INDUSTRIALS

Monday	856.66	— 3.15
Tuesday	852.41	— 4.25
Wednesday	852.41	Unch
Thursday	Market closed	
Friday	858.71	+ 6.30

Mining

A year of Sundays?

BY KENNETH MARSTON, MINING EDITOR

OVER the past couple of weeks, which seem to have been composed largely of Sundays interspersed with awkwardly placed working periods, quite a few of us may well have had to pause and think for a moment when asked what day of the week it is. And then we've got it wrong.

I have an uneasy feeling that a similar situation is going to apply this year to metal prices. In the case of gold, price forecasting is as hazardous as ever and it was notable that the chairmen's statements published on Tuesday with the annual reports of the Anglo American group's Orange Free State gold mines went no further than to express confidence in the metal's longer term future.

Gold points

They did, however, make some points which are worth bearing in mind. Firstly, there are signs of a revival in buying of gold for investment and also *for its use in jewellery.* Secondly there seems little likelihood of an increase in production — Anglo's OFS mines, for example, are not expected to raise output in the current year to September 30.

Of course, there is the proposed International Monetary Fund sale of 25m. ounces (equal to just over one year's South African production) overhanging the market, but the latter has lived with this bogey for three months now and the price of gold has steadied at around $140 per ounce compared *with $160 immediately* before the IMF sale news.

So far as mine earnings in South Africa are concerned, it is worth pointing out that, as a result of the Republic's 17.9 per cent. devaluation in September, the current gold price brings in the same amount of revenue in terms of rands as did the average of around $167 which was obtained by the producers last year.

They have to face some production loss as a result of the five-day working week which is to be introduced shortly, but the white unions have agreed to a measure of job advancement for the black workers.

Furthermore, the shortage of black *labour* which is now nearly over has been a spur to the more efficient use of men and increased mechanisation. This could help the continuing battle against rising costs. Meanwhile, devaluation should brighten the December quarter profits which are due to be announced in the week beginning January 12.

*Whether the latter will con*tain further news of the proposed full take-over of the Freddies mine by Free State Geduld is a moot point. But a close eye should be kept on this development which could well turn out to be more than just a cost-cutting operation designed to work the two mines as one.

Base metals

As far as the base-metal front is concerned, I like to think that the mirror image of the 1975 price graphs will give the picture for 1976. The hoped-for recovery, however, may not be so dramatic but it will probably be anticipated by share prices.

Therefore, this is no time to part with holdings of the leading mining finance stocks, especially if there is a general share market revival to give companies such as Selection Trust, Johannesburg Consolidated, and Consolidated Gold Fields the opportunity to boost their sharedealing profits.

Looking to some of the more important events which are due in the first quarter of this year, the current month will bring—apart from the gold quarterly reports—the Central Selling Organisation's 1975 diamond sales figure.

Helped by a price increase of an average 1.55 per cent. last January, the value of gem sales picked up in the first half of last year following the sharp reversal that was seen in the *second half of 1974.* That improvement has probably continued but it is doubtful whether the 1975 total will match that of 1974 when sales were still riding high in the early months.

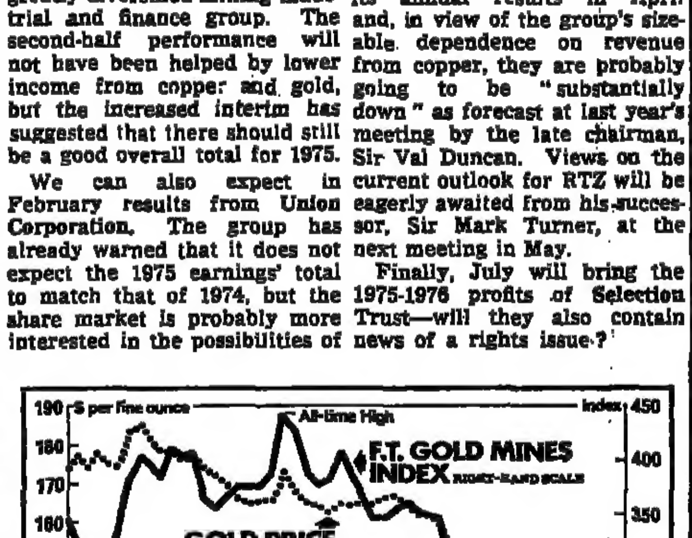
Even so, the 1975 results of De Beers, which are due in March, are still expected to make a good showing and expectations are for a dividend total of 28 cents *compared with* the 25 cents paid for 1974. An economic recovery could bring a further improvement in the current year, especially as gem prices are to be raised by a further 3 per cent. this month.

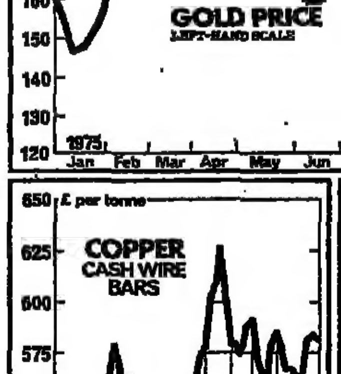
February should bring the 1975 results of the giant Anglo American Corporation. Half-year profits increased for this greatly diversified mining industrial and finance group. The second-half performance will not have been helped by lower income from copper and gold, but the increased interim has suggested that there should still be a good overall total for 1975.

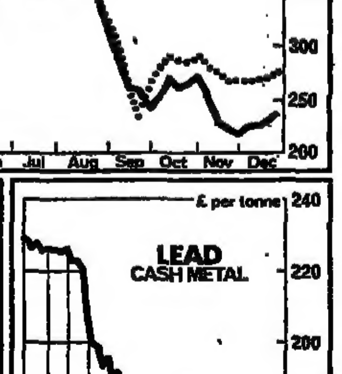
We can also expect in February results from Union Corporation. The group has already warned that it does not expect the 1975 earnings' total to match that of 1974, but the share market is probably more interested in the possibilities of a new bid approach coming in due course from the General Mining camp.

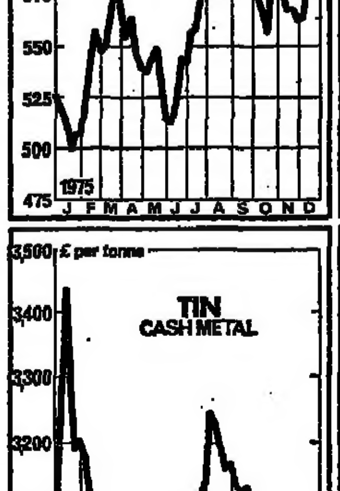
Rio Tinto-Zinc is due to report its annual results in April and, in view of the group's sizeable dependence on revenue from copper, they are probably going to be "substantially down" as forecast at last year's meeting by the late chairman, Sir Val Duncan. Views on the current outlook for RTZ will be eagerly awaited from his successor, Sir Mark Turner, at the next meeting in May.

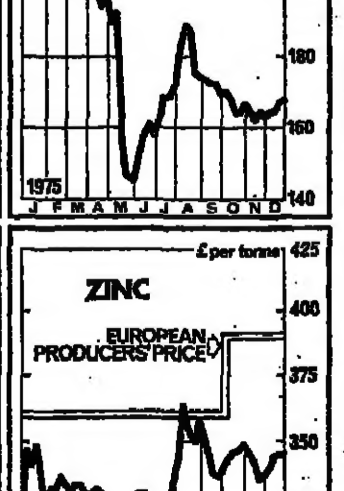
Finally, July will bring the 1975-1976 profits of Selection Trust—will they also contain news of a rights issue?











TV/Radio

BBC 1

† Indicates programme in black and white.

9.00 a.m. Bagpuss. 9.15 Jeannie. †9.40 Whirlybirds. 10.05 Bewitched. 10.30 The Little House on the Prairie. †11.15 Laurel and Hardy in "Helpmates." 11.35 Bugs Bunny. 11.45 Password. 12.10 p.m. Weather.

12.15 *Grandstand: FA Cup Focus* (12.20); Racing from Newbury (12.50, 1.20, 1.50); Athletics (1.10); Rugby Union from Twickenham: England v. Australia (2.10); Ice Hockey (3.50); Indoor Hockey (4.05); 4.35 Final Score; 5.05 The FA Cup Draw.

5.15 Walt Disney's The Mouse Factory.
5.40 News.
5.50 Sport/Regional News.
5.55 Dr. Who.
6.20 It's Cliff—and Friends.
6.55 Saturday Night at the Movies: "Three Violent People," starring Charlton Heston.
8.35 Look—Mike Yarwood.
9.15 Kojak.
10.05 News.
10.15 Match of the Day.
11.20 Parkinson.

All Regions as BBC 1 except at the following times:—

Wales—9.35-10.00 a.m. Telifiant. *12.20 a.m. News and Weather for* Wales.

Scotland—5.05-5.15 p.m. Scoreboard. 5.50-5.55 Scoreboard. 10.15-10.50 Sportscene. 10.50-11.20 Songs of Scotland. 12.20 a.m. Scottish News Summary.

Northern Ireland—5.05-5.15 p.m. Scoreboard. 5.50-5.55 Northern Ireland News; Weather. 12.20 a.m. Northern Ireland News Headlines.

BBC 2

2.30 p.m. *Play Away.*
†3.00 Comedy Hat Trick: triple bill of classic comedies from Hollywood's Golden Age, starting with Laurel and Hardy in "Way Out West," W. C. Fields in "My Little Chickadee" and "The Marx Brothers At The Circus."
6.45 News and Sport.
7.00 Rugby Special: England v. Australia.
7.55 In Company.
8.20 How Green Was My Valley.
9.15 Much Ado About Nothing.
11.55 News on 2.
12.00 Midnight Movie: "Strategy Of Terror," starring Hugh O'Brian.

LONDON

9.00 a.m. Angling To-day. 9.25 Parent's Day. 9.50 The Beachcombers. 10.20 The Count of Monte Cristo. 10.45 Junior Police Five. 11.00 Run, Joe, Run! 11.25 All the Fun of the Fair.

12.30 p.m. World of Sport: 12.35 On the Ball; 1.00 International Sports Special (part 1): Banger Destruction Derby; 1:10 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Ayr; 1.45, 2.15 and 2.45 from Worcester; 3.10 International Sports Special (part 2): Stock Car Racing; 3 50 Half-time Round-up; 4.00 Wrestling; 4.50 Results Service.
5.15 News.
5.25 Return to the Planet of the Apes.
5.45 Supersonic.
6.15 New Faces.
7.15 Sale of the Century.
7.45 "Mask Of Sheba" (made specially for television).
9.30 The Best of Upstairs, Downstairs.
10.30 News.
10.45 Thick as Thieves.
11.15 "Nightmare" (made specially for television).
12.30 a.m. Outlook '76.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Checkmate. 10.15 Paulus. 10.30 Hammy Hamster's Adventures on the River Bank. 10.45 Adventures in Rainbow Country. 11.10 Clapperboard. 11.35 Tarzan. 5.50 p.m. The Flintstones. 7.45 The Big Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 Russell Harty. 12.20 a.m. At the End of the Day.

ATV MIDLANDS

9.15 a.m. Plain Sailing. 9.40 Parent's Day. 10.20 Tiswas. 5.50 p.m. New Faces. 6.50 Six Million Dollar Man. 7.45 Saturday Cinema: "The Last Hunt," starring Robert Taylor and Stewart Granger. 10.45 Aquarius. 11.30 ATV To-day Pick of the Week.

BORDER

9.30 a.m. Angling To-day. 10.00 Parents' Day. 10.30 Thunderbirds Are Go. 12.00 The Geordie Scene. †5.15 p.m. Border Sports Results. 5.20 Cartoon Time. 5.30 *New Faces. 6.30 Celebrity Squares.* 7.15 Yus My Dear. 7.45 The Saturday Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 The Protectors.

CHANNEL

5.20 p.m. Space 1999. 7.45 The Saturday Film: "Journey To The Centre Of The Earth." 10.45 Aquarius. 11.30 The Evil Touch.

GRAMPIAN

†10.30 a.m. Junior Movie: "Blue Murder At St. Trinians," starring Terry-Thomas and George Cole. 12.00 The Geordie Scene. 3.25 p.m. Cartoon Time followed by Highland League and Shinty Results. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Yus My Dear. 7.45 The Big Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 Evening Prayers.

GRANADA

9.15 a.m. Angling To-day. 9.40 Parents' Day. 10.05 The Three Stooges. 10.25 The Beatles. 10.50 Saturday Matinee: "Gun Glory," starring Stewart Granger. 5.25 p.m. Cartoon. 5.30 New Faces. 6.30 Not On Your Nellie. 7.00 Celebrity Squares. 7.45 The Big Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 The Late Film: "Designing Woman," starring Gregory Peck and Lauren Bacall.

HTV

10.00 a.m. Parent's Day. 10.30 Sesame Street. 11.30 The Adventures of Black Beauty. 12.00 Supersonic. 5.25 p.m. Gonzales Tamales. 5.30 New Faces. 6.30 Man About the House. 7.00 Celebrity Squares. 7.45 *The Saturday Film:* "When Dinosaurs Ruled the Earth." 10.45 Aquarius.

HTV Cymru/Wales—As HTV General Service except: 6.30-7.00 p.m. Sion A Sian.

SCOTTISH

9.30 a.m. Angling To-day. 10.00 Parent's Day. 10.30 Look-up. †11.00 Feature film "Go Man Go," starring Sidney Poitier. 5.15 p.m. Treasure Island. 5.30 Supersonic. 6.00 New Faces. 7.00 Celebrity Squares. 7.45 The Big film: "When Dinosaurs Ruled The Earth." 10.45 Scenes Like These. 11.15 Late Call. 11.20 Hawkins.

SOUTHERN

9.15 a.m. Angling To-day. 9.40 Parents Day. 10.10 Regional Weather Forecast. 10.15 Sylvester and Tweetie Pie. 10.20 Supersonic. 10.50 Adventures in Rainbow Country. 11.20 Daniel Boone. 12.15 p.m. Southsport. 5.25 Mississippi Hare. 5.30 Sale of the Century. 6.05 The Magician. 7.00 Celebrity Squares. 7.45 "When Dinosaurs Ruled The Earth," (film). 10.45 Aquarius. 11.30 Southern News. 11.35 Griff.

TYNE TEES

9.30 a.m. Angling To-day. 10.00 Parent's Day. 10.30 Thunderbirds Are Go. 12.00 Indoor League. 5.15 p.m. Cartoon Time. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Yus M'Dear. 7.45 The Big Star Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 The Collaborators. 12.25 a.m. Epilogue.

ULSTER

10.30 a.m. Planting for Pleasure. 11.00 Hammy Hamster's Adventures on the River Bank. 11.30 Sesame Street. 5.00 p.m. Ulster Sports Results. 5.15 The Brady Bunch. 7.45 Saturday Movie: "The Man From Colorado," starring William Holden and Glenn Ford. 10.45 Aquarius. 11.30 The Protectors.

WESTWARD

9.30 a.m. Angling To-day. 10.00 Parent's Day. 10.30 Sesame Street. 11.25 Look and See. 11.30 *Planet of the Apes.* 12.25 p.m. Gus Honeybun's Birthdays. 5.20 Space 1999. 6.15 New Faces. 7.15 Sale of the Century. 7.45 The Saturday Film: "Journey To The Centre Of The Earth," starring James Mason and Pat Boone. 10.45 Aquarius. 11.30 The Evil Touch. 12.00 Faith for Life.

YORKSHIRE

9.30 a.m. Angling To-day. 10.00 Parent's Day. 10.30 Thunderbirds Are Go. 12.00 The Geordie Scene. 5.25 p.m. Cartoon Time. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Yus M'Dear. 7.45 The Big Film: "When Dinosaurs Ruled The Earth." 10.45 Aquarius. 11.30 The Collaborators.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 8.06 Ed Stewart (S) (also on VHF) with Junior Choice, including 8.45 Headline Spotters. 10.00 Rosko. 1.00 p.m. Herbie Flower's Top Twelve (S) (also on VHF). 2.00 Alan Freeman (S) (also on VHF). 5.00 Paul *Gambaccini (S) (also on VHF).* 6.30 In Concert (S) (also on VHF). 7.30-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S). 8.03 Test Cricket: Australia v. West Indies (report). 8.06 As Radio 1. *10.02 Charlie Chester with your Smiling* Saturday Show (S). 12.02 p.m. Two's Best (S). 1.02 Roy Castle in Castles on the Air (1,500m. only, also 202m. Scotland. VHF joins Radio 1). 1.30-5.55 Sport on 2 (1,500m. only, also 202m. Scotland, VHF joins Radio 1). Cup-Tie Special (1.40, 2.55, 3.45, results and *classified checks* at 5.00 and 5.45: draw for the fourth round 5.05); Rugby Union (1.50, 2.15, 4.50, 5.25): England v. Australia: Racing from Newbury (1.30, 2.00, 4.50): Test Cricket (1.45, 2.10, 5.35): Australia v. West Indies, reports, and at 4.50 Sports Report. 6.03 Star Sound (1,500m. only, also 202m. Scotland, VHF *joins Radio 1*). 7.02 The Navy Lark (1,500m. only, also 202m. Scotland, VHF joins Radio 1). 7.30 Radio 2 Top Tunes (S). 8.30 The Musical World of Moira Anderson (S). 9.02 Saturday Night with the BBC Radio Orchestra (S). 10.2 Europe 76 (S). 10.30 Alan Dell with The Late Show (S) including 11.02 Sportsdesk. *12.00 (VHF only)* News. 12.31-12.33 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

8.00 a.m. News. 8.05 The Young Idea (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Two-Piano Music (S). 12.02 p.m. Robin Ray presents a selection of popular classics (S). 12.55 News. 1.00 Foreign Press Review. 1.15 BBC Singers at St Johns (S). 2.20 Man of Action: Sir Duncan Wilson chooses records (S). 3.35 Music of the Masters (S). 5.00 Jazz Record Requests (S). 5.45 The Far Off and the Near (S). 6.40 Critics Forum. 7.30 "Armide," tragédie lyrique in five acts, music by Gluck (S): Acts 1 and 2. 8.40 Personal View by Alan Ryan, Fellow and Lecturer in Politics at New College, Oxford. 9.00 "Armide," Acts 3, 4 and 5 (S). 10.40 Visiting Reputations. 11.05 Bach violin recital (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF

† Medium Wave only

†6.50 a.m. Outlook. VHF Regional News. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Outlook. 7.50 Today including at †7.50 Keep Fit for All the Family or VHF Regional News. 7.55 Weather; programme news. 8.00 News and more *of* Today, with 8.32 Sportsdesk and 8.40 Today's Papers. 9.00 News. 9.05 From Our Own Correspondent. 9.30 Talking Politics. 10.00 News. 10.02 The Weekly World. 10.15 Daily Service. 10.30 Pick of the Week. 11.30 Dial-A-Scientist. 12.00 News. 12.02 p.m. Robin Ray (S) as Radio 3. †12.55 Weather; programme news VHF (except London and S.E.) Regional News. 1.00 News. 1.15 Any Questions? 2.00 Weekend. 3.00 News. 3.05 Thirty-Minute Theatre. 3.35 Music of the Masters (S) as Radio 3. 5.00 PM Reports. †5.55 Weather, programme news VHF (except London and S.E.) Regional News. 6.00 News. 6.15 Stop The Week With Cliff Michelmore. 7.00 News. 7.02 Desert Island Discs. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 A Word In Edgeways. 11.00 Lighten Our Darkness. 11.15 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News. 8.15 The London Gardener. 8.30 Saturday Scene. 10.30 Sportsline. 11.30 It's Saturday. 2.00 p.m. Close Up. 2.30 London Sport And Music. 5.00 As Radio 2. 6.00 News. 6.03 Montreux Jazz (highlights from the 1975 Festival). 7.00-12.33 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

7.00 a.m. Morning Music. 8.00 "AM"—including news, traffic and sport. 10.00 Jellybone. 12.00 London's Week. 1.00 p.m. Newswatch. 1.30 Sportswatch. 6.00 Newswatch. 6.30 London Profile. 7.00 Artsweek. 9.00 Adrian Love. 1.00-5.30 a.m. Nightwatch (news every half-hour).

Capital Radio

194m and 95.8 VHF

6.00 a.m. Kerrygoround. 9.00 Capital Countdown. 12.00 Kenny Everett. 2.00 p.m. Person to Person. 4.00 London Link. *6.00 Soul Spectrum.* 10.00 Tommy Vance. 2.00 a.m. Night Flight.

Traffic rise on Irish ferries

By Our Liverpool Correspondent

MORE passengers and cars were carried on ferries to Ireland over Christmas than ever before according to Mr. Frank Nealis, car ferry marketing manager of British and Irish Steam Packet Company.

He reported yesterday that the number of cars carried in both directions on the Liverpool-Dublin and Swansea-Cork routes were up 13 per cent. on 1974. In the week up to Christmas, the ferries carried more than 20,000 passengers and 4,000 cars to Ireland from Britain and nearly 5,000 passengers and 1,000 cars in the opposite direction.

Sunderland & Shields

Sunderland and Shields Building Society reports record progress in 1975, with assets reaching £58m., a 23 per cent. rise on the 1974 figure.

Net investments were £10.17m. against £5.73m. last year and advances totalled £12.86m. against £8.32m.

Your savings and investments

Getting tax-free income

BY ERIC SHORT

THE MARKETING success of the high-yielding trusts last year illustrated, among other things, the demand by investors for income. But for the higher-rate taxpayer, the attractive looking double figured gross yields obtainable look very ordinary when tax is taken into account. This category of investor, seeking a steady income, would be well advised to look at the withdrawal facilities available on a bond issued by a life company.

The 1975 Finance Act introduced the facility whereby a bondholder can withdraw up to 5 per cent. each year of his initial investment without incurring any immediate tax liability whatever—basic rate, higher rate or investment income surcharge. Actually basic rate taxpayers can withdraw any amount under a withdrawal scheme without suffering immediate tax, but higher rate payers would be taxed on the amount above 5 per cent.

This means that a higher rate taxpayer seeking an income of 5 per cent. per annum can get a £500 net return per annum under a withdrawal scheme for the outlay of £10,000. The corresponding outlay for an investor paying 60 per cent. tax to get a net income of £500 per annum would be £12,500 on a fund yielding 10 per cent. gross. The higher the rate of tax the more attractive becomes the immediate advantages of the withdrawal scheme.

There is, however, a deferred tax liability and the day of reckoning comes when the investor eventually cashes in his bond. For at that time the growth on the bond is commuted and the investor may be taxed at the higher rate on the "top-slicing" principle. This is done by dividing the growth by the number of years the bond has been in force and charging this amount for higher rate tax. But the rate charged is that applicable to the investor at the time of cash in.

Therefore, the investor should arrange the actual time of cash in when it is most favourable to him, namely when his income is lower and his tax rate less. The ideal time would be after he has retired. If at the time of cash in he is only paying basic rate tax, there will be no tax liability whatever.

There are however certain dangers inherent in withdrawal schemes that the investor should take into consideration. The investor obtains his income effectively by selling some of his units. This process is fine while the value of his units, including reinvested income, is rising faster than 5 per cent. per annum. But the value of units can fall and it does not need a very long memory to appreciate the effects of a sustained bear market.

Withdrawal schemes were extremely popular in the early 1970s with rates being offered as high as 12 per cent. in some cases. When the downturn in the equity market came, investors using these schemes found their capital eaten up very quickly. Therefore investors considering withdrawal schemes should appreciate this defect at outset and be prepared to forego making a withdrawal at times when the market is depressed. Fortunately the Act allows some flexibility in that investors may catch up a year without tax penalty.

Therefore investors should pick bonds that are not too volatile in unit price. My preference would be towards a managed fund or even a property based fund rather than an equity linked bond. But it would be prudent for higher rate taxpayers to seek expert advice and to be satisfied that they fully understand the implications of these schemes.

Hopeful about America

BY CHRISTOPHER HILL

IN THEORY the ideal unit trust should always be the general growth fund which aims at maximising its overall return from whatever source. But in an imperfect world where marketing considerations are also important, fund managers naturally wish to make an impact on the public with something new and clearly identifiable. Such is the background to the new Gartmore American Fund which is being launched to "plug a gap" in the group's range and also to coincide with the long expected upturn in the U.S. market.

This is not the sort of fund one would advise unitholders to put a substantial proportion of their money in for two reasons. The first is that any fund with a geographical specialisation is less flexible than one which keeps its options open and the U.S. market—despite its size—is as vulnerable to sustained downturns as any other. The second is that despite the many arguments which are being advanced currently in favour of the U.S. economy, there is reason to doubt that these will be faithfully reflected in the U.S. stock market.

Looking at Gartmore's own graph in its advertisement investors will see that the U.S. stockmarket has made little overall progress over the past decade despite circling the magic Dow Jones "1000" mark on three occasions. Moreover, almost every year the U.K. pundits have forecast a Wall Street recovery on the grounds of fundamental economic strength and have always been disappointed. If everything is so different now one wonders why this has not been reflected in the U.S. market already.

One point which may have been overlooked in this respect is that the U.S. investor has been more circumspect about equities than the UK investor since the speculative days of 1968-69 and that mutual funds (the U.S. unit trust equivalents) there have yet to see the return of the era when salesmen could tramp the country assured of easy pickings.

But at the moment it is difficult to find an investment manager in the U.K. who is not bullish about the U.S. market—for at least part of his funds—and it is interesting to anticipate how this may be reflected in performance. What one can say is that looking back on 1975 there is a remarkable disparity among the performances of the dozen or so unit trusts which specialise in the U.S. market. With a 35 per cent. increase in the DJ Industrial Average over 1975 the question is whether the disparity—varying (on the Money Management end-November figures) between plus 1.8 per cent. for Lawson American and 79.4 per cent. for Lawson American—is due to superior investment management or to "technical" factors.

What is certain is that technical factors do have an effect, for investing in the U.S. for the U.K. investment manager is not just a question of getting his market timing right and going for the right stocks. With the investment currency premium to consider (now standing at an effective 61 per cent.) one determinant of performance is to strike the right balance between buying through the premium and taking out back-to-back loans. Certainly Neville Bowen of Hill Samuel (which runs the Hill Samuel Dollar Fund) regards this as a very significant factor, pointing out that if one did well out of the premium in 1975, it is difficult to reposture one's fund in loans now unless one has a strong cash inflow. This is because of the 25 per cent. surrender on the premium. Fortunately HS has had a significant cash flow into its dollar fund.

But not everyone agrees with this. M and G reckons that—having had mismatching problems in 1974—the loan route to the U.S. is easy at present because no one minds borrowing dollars to invest in U.S. securities. Its own fund had a good performance in 1975 which it puts down not only to currency fluctuations (there was some benefit from the third of the portfolio which was in premium dollars) but also to getting the sectors right. The manager thought that one could have got nowhere with an apparently very respectable portfolio last year (including banks and oil shares) whereas the immediately less attractive sectors did much better. He also emphasised the benefit to be gained from rotating the portfolio last year.

So there is more to success in the U.S. market than just banking on the strength of the economy, though it is true to say that a new fund is theoretically in the best position to get its loan structure right. And Gartmore also intends to invest 25 per cent. of its money in "special situations" . . . which have always been attractive to the U.K. institutional investor.

A better year for funds

BY CHRISTOPHER HILL

TWO WEEKS ago I tried to pinpoint the unit trust winners and losers for 1975 and this week is clearly the time to do the same exercise on the rest of the savings and investment field, leaving out "alternative" investments like paintings and stamps.

Abbey scores

POSSIBLY THE biggest turnround during 1975 was in the gold coin market where the price of the krugerrand fell from around £92 at the beginning of the year to £72 at the end with domestic coins trading at only a tiny premium over the gold content. Dealers now report that there is little or no investor interest in coins and the gap has not been bridged by any alternative enthusiasm for silver kilobars or platinum bars. However, there is some evidence of professional interest in platinum — which is also available to the private investor in bars starting at 1 oz.

While gold coins fell from grace during 1975 on the back of the falling bullion price and the revival in equity markets, property fund managers had a rather better time. Indeed there were reports throughout the year that investors' interest in property was reviving and bond managers were back to net cash inflows. This led to better unit prices for the funds, but as usual it is difficult to make judgments as to which managed its properties best during the year.

The Abbey Property Bond looks to have outstripped the rest of the field in terms of performance (up 30.9 per cent. at the end of November) but then it was also marked down more severely than its major competitors during 1974. Hambro which suffered less during 1974 had scored an improvement of only 3.6 per cent. at the same stage. Still, most of the bonds did do better and Abbey reckons that the portents for property are healthier now that pension funds are displaying an enthusiastic buying posture. The group has not yet got round to undertaking any new developments, but it is starting to think about it—which means that the merry-go-round could start all over again.

Managed Bonds

WHERE MANAGED or "3-way" bonds are concerned the picture is that any bond fund which was weighted towards equities did better than funds which spread their bets more evenly to include property and fixed interest. The star performers look to be Pioneer Mutual with a growth of over 113 per cent. to end-November but the average among the leaders like Maple Leaf Growth and Schroder Flexible was more of the order of 50 per cent. plus. Managed funds are the favourites for linkage to regular premium policies (because of their wide investment spread) but are still in general not fulfilling their original promise of active switching between the sectors. Over the three-year haul the best of the bunch include Cannon Balanced and the two City of Westminster funds.

As for the life assurance equity funds (remember they originated the single premium bond boom in the mid-1960s) these also look uninspiring over the long-term, but performances last year were exceptionally good in some cases—Confederation Life, Norwich Union Equity Fund and the Vanbrugh Equity Fund being among the stars.

Good run

TURNING TO the offshore fund sector, a number of these had a good run last year, including old stagers like Ebor Channel Capital and Unicorn Australian Mineral. It is also nice to see that certain long-term records are looking very healthy, although there are a number of others at the bottom end of the scale with five-year losses—including those which stuck slavishly to the U.S. market throughout the period. Offshore funds had a very bad Press following the collapse of the IOS empire but could be due for a comeback, especially now that offshore centres are the new way of promoting commodity funds.

As for investment trusts, performance is always difficult to assess until the year-end net asset figures are all known and the overall picture generally has to wait until well into the new year. The discounts also complicate any comparisons for the average narrowed from around 38 per cent. at the start of 1975 to 27 per cent. at the end, having been as low as 21 per cent. in June. Moreover the favourite trusts for institutional investors (those with a North American content) tended to go to the narrowest discounts but were not always the best performers in net asset value terms. Currently it looks as if investment trusts had a much better year, with winners like Claverhouse and Sphere leaning towards investment in the U.K. These have achieved increases in total assets of more than 100 per cent. and there are many more which come close to that figure.

Bonuses

THE EARLY announcements from life companies this week are confirming the prospects for bonuses outlined last week. There have been modest increases in reversionary bonus rates of the order 20p-30p per cent. and some larger rises in terminal rates. An example of how investors have fared is seen in the current maturity value of a 25 year policy with the Scottish Widows' (which lifted both reversionary and terminal bonus rates) compared with a year ago:—

	1976 £	1975 £
Sum Assured	1,000	1,000
Reversionary bonuses	1,466	1,406
Terminal bonus	419	257
Value	2,885	2,663

The increase of 8.3 per cent. may look modest compared with a rise of 136 per cent. in the All Share index last year. But since life companies give high investment guarantees and average out experience, it is by traditional life assurance standards a substantial improvement.

ERIC SHORT

Finance and the family

Severing a joint tenancy

BY OUR LEGAL STAFF

In your reply under the heading C.T.T. and bad husbandry (November 29) you state "it may be possible considerably to reduce the burden of C.T.T. for example if the present owners sever their joint tenancy and separately assign their equitable interests." As my uncle and aunt are connected persons for C.T.T. *purposes would you* not agree that in terms of loss to the donor the amount of tax payable could not *be reduced?*

There is, of course, a risk that the separate gifts might be attached as associated operations. However it is not necessary that they should be vulnerable in this way—hence our suggestion that proper professional advice be taken. An effective scheme might have to be more complex than the outline suggested. The essential *feature is to ensure by severance* that there are in fact two separate donors.

Joint bank account

Where a husband and wife have a joint bank account, is it correct that the survivor becomes sole owner of the balance on the death of one? Does it matter who put the money in? Is any relevant *disposition needed in the will* of the deceased, where there are mutual wills?

Your understanding is correct: no provision by will is needed to cover the position of the joint account. However if there were not mutual wills it would be desirable that the joint account should be used as such, that is, that both parties should operate it in *order to forestall* a claim by the estate of the first to die (if that person was the donor) that the account was an administrative device and *not* intended to be a gift. This does not apply in your case; nor does the Revenue any longer have any *interest* in examining the provenance of a joint account as between spouses.

House resold to council

My mother was left by her sister a council house, which had to be offered back to the council at the price paid if sold within five years of purchase. The trustees of the will advised her to contest this, but after negotiating for about a year, she decided to comply with the condition and the council bought it back. We are now faced with a claim for estate duty, on the "Crossman 1937" basis, on the grounds that the house was worth about four times the purchase price at the date of the sister's death. Is such a charge justified?

We do not think that the principle in the Crossman Case [1937] A.C. applies, as that relates to shares in a private company. However, the rather complex provisions of Section 37 (5) of the Finance Act, 1969, will probably apply. You should invite the trustees to consider whether a lower charge to duty may be incurred on the application of that subsection.

House left to three children

A house was left to my brother, now represented by his widow, my sister and myself. Does this mean that it now falls to my sister and me, or does my brother's estate take an interest?

If the property was in fact left to the three children *without words which indicated severance* (such as "in equal shares," or "*equally*") the whole property would now vest in you and your sister, but if words such as are indicated above were used there would be a tenancy in common, which means your brother's estate could take its share.

Compulsory purchase

In the case of a compulsory purchase order by a local authority, is interest payable on an advance payment? Could you please quote me any authority for your reply?

Interest is not payable on the amount of the advance payment, except where possession has been taken by the acquiring authority before the payment is made—subsection 52(10)(b) of the Land Compensation Act 1973. Interest will of course be payable on the balance over the advance payment (if any) in the *usual way, namely,* from the date of assessment or the taking of possession (if earlier). If possession was taken before the advance payment is made, interest is payable on the amount of that payment from the date of possession to the date of payment but not thereafter. Sections 32 of the Land Compensation Act 1961 and 18 and 52 of the Land Compensation Act 1973 and 11 of the Compulsory Purchase Act 1965 are the relevant statutory authorities.

Resiting a cable

A telephone cable which traverses the roof of our bungalow in which I have lived for a year, sagged onto it. The Post Office soon put it right, but I would like to get it resited. Could you tell me what I can do, and what is the legal position?

You should negotiate with the Post Office. The Post Office only has powers to require an easement over your property if the wires and *posts* are more than 10 yards from your bungalow. Within that distance it is only able to procure one by agreement. *Even if the cable is* at present authorised by an agreed wayleave, consent may be withdrawn or a change in ownership *or occupation of the bungalow.*

Loan or exchange

Anticipating the increase in VAT I went to buy a pair of X type speakers last April and put down the necessary money. Delivery failed to materialise, but I was told I could borrow some, and on my calling at the shop in May was given Y type speakers, valued at the time, at about £20 above X type, with the comment "I have had your money so you may have these speakers." In November the dealer's representative called to take away the Y type and deliver the X type. I objected and did not hand the *speakers back.* If I take no action, do the Y type speakers belong to me? Should I offer the dealer £20 to retain them? *If not,* what is the least expensive way by which I could keep them?

Unfortunately the words used by the dealer, as quoted by you, are not entirely unambiguous. They could mean that he was letting you have Y speakers at the price of X speakers because he had your money so long; or they could mean that in view of his having had your money for a while he was lending you better speakers pending the arrival of those in fact ordered. We think that a Court is more likely to accept the latter interpretation and therefore to hold that the Y speakers do not belong to you. You would therefore not be entitled to retain them but would have to negotiate with the dealer if you no longer wish to have the X type. You may be able to do a deal for a further £20 or £30, but you would not be entitled as of right to require the Y speakers at less than the current market price.

Liabilities of a trustee

I am joint trustee with my sister of an estate of which my father is life tenant. Income from the estate is paid into a bank account operated by my sister, but I have been unable to persuade her to render a tax return. Would I be liable for unpaid tax? What do you suggest?

The liability for tax would fall as much upon you as on your sister, as you are fully liable in your capacity as trustee (you would of course have a claim to indemnity or contribution from your sister, but that would not affect your primary liability to the Revenue). If your sister will not co-operate you will have to seek the directions of the Court as to whether to bring an action for an account against her.

Joint and several guarantee

In my late father's business I and my two sisters as shareholder/directors had a third share each. The company is now being voluntarily wound up, and I had signed a joint and several guarantee with the bank together with one of my sisters, another relative, and the other director. I am now told by the trustee that the sister who had not signed the guarantee is nevertheless legally bound to repay her share of the bank loan.

Can the company or trust have a legal claim against her on the grounds that she is a director and had been paid dividends? Also, I understand that any guarantor in a joint and several has the right to repay the whole of the debt to the bank, and hold the securities placed there by any of the other guarantors. Is that so? As matters stand, one of the signatories is supposed to be let off, and my sister who had not signed is supposed to be liable.

On the resume of the facts which you give it would appear that your sister who is not a guarantor is not liable to contribute towards the repayment of the loan. A director would be liable to reimburse the company for losses caused by her misfeasance as a director, *but not otherwise.* A surety who pays off the principal liability usually is entitled to be subrogated to the creditor *in* respect of the security, that is, to stand in the shoes of the creditor who has been discharged. If one joint guarantor has been released, the whole debt will have gone and all the guarantors will benefit. However, if the arrangement with the one joint guarantor amounts only to an agreement not to sue her, the debt will still stand against the other guarantors (but not, of course, against the sister who is not a guarantor).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquires will be answered by post as soon as possible.

Insurance

Shopping around

BY JOHN PHILIP

AS I EXPLAINED last week, in the coming months of the new year, much of our personal insurance will cost us more. Either our insurers will increase the premiums they charge—as many motor insurers are doing at the present time, and as the *rest will do sooner rather than* later—or we shall increase the premiums we pay by revaluing our insurances to cope with the *ravages of inflation.* On this latter aspect I particularly mentioned household insurances—but there is just as *much need to top up our life* and health cover, to make certain that we and our dependents have adequate pro*tection.*

Having said this I accept that there are many people who feel that they cannot spend any more money on *insurance,* because the cash is just not available. The first question I would put to them is a simple, *but fundamental*—are they really unable to spend more, or have they got their priorities wrong? Allowing for the fact *that* there are many non-smokers, and many very occasional drinkers, the average family now spends well over *£300 a year on* tobacco and alcohol—and £300, allocated wisely can go a fair way towards providing the family *with many of its basic insurance* needs.

I must emphasise the wise allocation of available money. *It* is necessary to choose between insurers offering similar contracts: if you compare similar life and motor policies, there can be a price range of 50 per cent. or more from the cheapest to the dearest, though it does not follow that the cheapest is the best buy, because in insurance as elsewhere quality of service and long-term reliability are more often than not closely related to price.

It is necessary also to choose between different types of contracts — on the life side, for example, the wage earner with a family should concentrate on protection of dependents rather than investment with tax relief, and so buy one of the various kinds of term assurance that all life companies offer rather than the very expensive endowment assurances which the majority of policyholders go for, and which cost on average more than ten times as much as do term assurances.

Before laying out premium it is necessary to *decide* clearly why one is buying the insurance—what risks it is to cover, what financial protection it is to provide and for whom. For *example,* in the household sphere, some insurers offer "all risks" cover *on contents,* as distinct from the named perils cover that is provided by the many household package insurances that most of *us have. The cost* of the named perils cover ranges between 20 and 25 pence per cent., and is surely wide enough to provide *insurance against* all unacceptable domestic risks: so surely it is worth paying anything more (and certainly between a *further 10 and 25* pence per cent.) to cover the risks of accidental loss or damage, not just of one's valuables, but of *all household* possessions? Remember that the rate per cent. has to be paid on the full value of the property insured, so that on a £4,000 policy the extra premium for "all risks" cover may be as much as £10.

Far more important, in my *view, is to find* insurers—and they exist in increasing numbers — who provide new for old household cover, without deduc*tion for wear and tear,* on a whole range of consumer durables.

When claims arise, under these circumstances *there* is no argument over the cost of replacing like with like.

The motorist who wants to avoid paying perhaps another 40 per cent. or more for his car insurance in 1976 can of course get comparative quotations for similar cover from a number of other insurers—by careful selection he will almost certainly be able to find a cheaper market. Because not all insurers effect rating revisions at the same time the motorist can benefit immediately by moving to insurers who have now, so to speak, got behind in the premium leapfrog, and will not jump ahead until *after* his next premium is payable.

Against this immediate benefit must be balanced, for example, the intangible but nevertheless real goodwill that the motorist builds up with particular insurers by maintaining his cover with them for a number of years. Undoubtedly there is not so much sentiment nowadays in insurance for old-established customers as there used to be, but the fact remains that there are many "gre[illegible] areas" of damage repair claim[illegible] where the established polic[illegible] holder will probably get mor[illegible] consideration than the new[illegible] *transferred* — for exampl[illegible] where the motorist is calle[illegible] upon to make contribution [illegible] the cost of replacing wor[illegible] tyres, or an *old* battery, [illegible] towards the cost of respraying[illegible] While the insurers' duty is [illegible] have the damaged car put [illegible] its pre-accident condition, [illegible] must almost always be a matt[illegible] of debate precisely as to wh[illegible] degree of improvement h[illegible] been effected, and precise[illegible] how much the policyhold[illegible] should therefore pay himself.

While the majority of Briti[illegible] motorists buy "comprehe[illegible] sive" insurance, insurers do s[illegible] policies providing much l[illegible] cover, which of course mean[illegible] lower premium.

A third party policy, whi[illegible] indemnifies the motorist again[illegible] legal liability claims for inju[illegible] and damage, costs around 50 p[illegible] cent. of a fully "comprehe[illegible] sive" policy. So the motor[illegible] who is prepared to bear his ow[illegible] damage risk himself, even [illegible] earning full no claims discou[illegible] can, at to-day's premiums, pr[illegible] bably save *himself* a minimu[illegible] of around £15 a year, and pe[illegible] haps more, according to the ty[illegible] of car he has and where it [illegible] *located.*

Incidentally, such third par[illegible] insurance can be coupled wi[illegible] a legal expenses policy, so th[illegible] the motorist has financial cov[illegible] to enable him to claim compe[illegible] sation from any other motori[illegible] who causes him damage or i[illegible] jury: the combined cost of thi[illegible] party cover and legal expens[illegible] insurance will be less than th[illegible] cost of "comprehensive" cove[illegible] but the motorist will have [illegible] bear both the expense of repai[illegible] ing damage to his own car th[illegible] he himself causes, and any in[illegible] he sustains by fire or thef[illegible] while he will be short of a[illegible] the extra cover—medical e[illegible] penses, baggage, personal acc[illegible] dent, even loss of use—that th[illegible] "comprehensive" policy ca[illegible] provide.

While the majority of moto[illegible] ists will, I think, continue to o[illegible] for "comprehensive" cov[illegible] there are a number of premiu[illegible] saving restrictions that can [illegible] arranged—for example a volu[illegible] tary accidental damage exce[illegible] of £25 or more, or the drivi[illegible] limited to husband and wife [illegible] perhaps two named drivers.

Tennis

World rankings

BY JOHN BARRETT

ONCE AGAIN, as a new year begins, it is time to reflect upon the performances of the past 12 months as they affect the relative merits of the leading players. Ranking, of course, is an inexact science despite the increasing sophistication of the various computer lists being produced by the players' organisations and the U.S. Tennis Association. In an age when there are more and more events competing for the services of the leading performers, who for reasons of time and energy must inevitably be selective, there are fewer than ever occasions when all the contenders for world rankings are competing together.

Sweden's Bjorn Borg: in No. 3 position after playing brilliantly in the WCT finals.

Thus performances at Wimbledon and in the U.S. Open must carry most weight for at least almost all of them do play and conveniently, for the sake of fairness, one is now played on fast grass and the other on slow clay. Additionally the prestige attached to these two championships has the effect of exerting a special pressure—like tripos finals or the Olympics—of having to produce a top performance on the day.

Below that one must consider the results in the arduous World Championship of Tennis circuit which has its own pressures of points and cash, the other major international championships and the Commercial Union Masters which is an exacting test coming as it does at the end of a long hard season.

The claims of Arthur Ashe to the top men's spot are unassailable. As champion of both WCT and Wimbledon he achieved his two major goals for 1975 and failed only through staleness at the Masters in Stockholm. His year's earnings of $325,550 set another record and reflect the growing rewards in an increasingly commercial sport.

Second I must place the likeable little Spanish left-hander, Manuel Orantes. As winner of the U.S. Open as well as five other Grand Prix tournaments, and as a finalist in three more, he has produced a consistently high level of performance all year that few others can match.

The *third places goes to the* dynamic young Swede Bjorn Borg. After performing brilliantly in the WCT finals where he lost narrowly to Ashe, he retained his French and U.S. Professional titles and ended the year by leading Sweden to their historic first Davis Cup success. He was also runner-up to Ilie Nastase in the Masters.

Jimmy Connors could consider himself unlucky to be only fourth after a year of frustrating losses in so many important finals. The nightmare began in Australia in January where John Newcombe beat him, continued at Wimbledon where Ashe out-generalled him, persisted at Forest Hills where he was teased by Orantes and even lasted into the autumn with losses to Eddie Dibbs in the Dewar Cup in London and to Adriano Panatta of Italy in the Stockholm Open.

Nevertheless, he ended the year at the top of the Association of Tennis Professionals' computer rankings with an average of 42.72 points from 18 tournaments.

Nastase's tremendous performance in Stockholm that won him a fourth Masters title in five years establishes him in fifth place after a stormy year in which he was disqualified three times. Although he reached the quarter-finals or beyond in 14 of the 16 Grand Prix tournaments he contested, he could win only one of them—at South Orange in August.

The women's list is easier to compile. There is little doubt about the first five places. Although Chris Evert lost her *Wimbledon title to Billie Jean* King she was outstanding elsewhere. She won 16 of the 22 tournaments she played and remained unbeaten on clay courts all year.

Education

Cart before the horse

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

Adduce the equine quadruped
To element aquatic.
Ingurgitation, it is said,
Must still be automatic.

THIS VERSE, which I have heard attributed to Dr. Johnson, *shows how the plain meaning of* an everyday saying can be confused by translating it into other terms. But the verse *makes far less of a dog's dinner* of "You can lead a horse to water, but you cannot make it drink" than this country's *educators are making in their* attempts to translate the same maxim into action.

The other day, for instance, *I sat among a hundred or more* teachers' union members in London, listening to a speech by Mr. Dave Logan of the *Trades Union Congress's* education department. When he finished many in the audience threw their caps in the air.

The enthusiastic reception given to Mr. Logan's speech somewhat puzzled me. My impression was that during its *course he* had contradicted virtually everything he said.

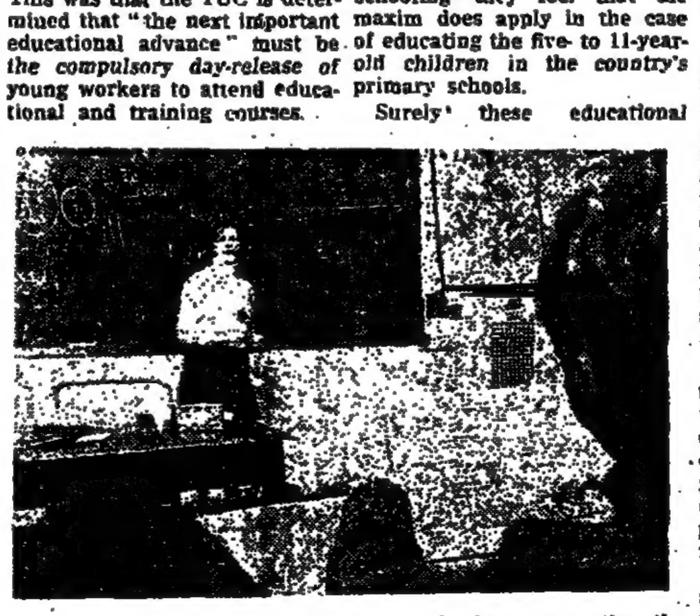
For example, he attacked employers for complaining — *with justification* — that our schools turn out far too many youngsters who are illiterate and non-numerate. Schools *should not be put* under such external pressure, Mr. Logan declared. There were good reasons why people did not learn to read, write and do arithmetic at school.

But he also said the TUC wanted schools to do much more by way of preparing children for responsible citizenship.

Surely this wish by the TUC *is* the same sort of external pressure on schools that the speaker criticised employers for applying? And how can schools possibly prepare young people for citizenship if they do not teach them the three R's.

Mr. Logan appeared to change his ground so often that I felt the explanation might be that his speech was made up of three different elements. So I planned to stand up later and ask him to clarify which sentences were designed to please teachers' unions; which to conform with the TUC's habitually flexible (to say the *least*) intellectual stance; and which to express what he really thought. But I never did find out the answer, because I decided that asking the question would be too risky in view of the audience's enthusiastic reaction.

The reason for the applause, however, no longer puzzles me. On reflection, it obviously lay in what seemed to be the *speech's one consistent theme.* This was that the TUC is determined that "the next important educational advance" must be *the compulsory day-release of* young workers to attend educational and training courses.



Since at least 1944, Mr. Logan said, the TUC had believed that every worker in the 16- to 18-years-old age group should have an annual entitlement of 44 working days to be spent at college. And the time for this belief to be put into force is the present. To this end the TUC would soon be calling on the Government to produce legislation, and if that call failed, it was thinking of asking member unions to demand day release for young workers as part of the 1976 round of collective bargaining with employers.

To be sure, the speaker continued, *some of the youngsters* might think they did not want to spend any more time in educational institutions. But that was the *kind of problem* that is best left to be sorted out over time. The urgent need was for action. The TUC believed that it should be compulsory not only for employers to release their workers, but also for the workers actually to attend the courses chosen.

The audience obviously believed so too. Which brings *us back to: "You can lead a* horse to water, but you can't make it drink."

Apparently Mr. Logan, most of his audience, and many others in the education system feel that the maxim does not apply in the case of forcing teenagers to attend college courses.

Apparently also—to judge by their readiness to endorse "*free choice*" *methods of* schooling—they feel that the maxim does apply in the case of educating the five- to 11-year-*old children in the country's* primary schools.

Surely these educational opinion leaders are putting the cart before the horse!

After all, virtually everybody outside the education system knows that the bulk of young children can be trained in basic skills such as reading, writing and numbering, and without the need for beating either. What is more, older people with the necessary aptitudes can be trained to teach young children those basic skills. We know this because we have seen it done. Only lately have sizeable elements of the teaching profession stopped doing it, and instead have started to hold anxious conferences about the large number of teenagers emerging from schools so devoid of usable skills as to be commonly termed "unemployable."

Ask the self-styled progressives why they have stopped doing it, and they will probably explain that it is against the best interests of enlightened society to make five- to 11-year-olds learn to read, write and number when they are opposed to doing so. But I doubt that the same people could then explain why it is in the best interests of enlightened society to make 16- to 18-year-olds attend college courses when they are not only opposed to it, but big enough to refuse to be taught anything.

So I must conclude that educational logic as such has nothing to do with the TUC spokesman's counter balancing a denunciation of external pressure on schools to teach basic skills, with a demand for compulsory day-release. The only coherent explanation for the existence of this combination of points in the TUC's education policy is that it is thought to serve the interests of the trade *union movement.*

In particular, it pleases the teachers' unions, and colleges whose finances depend heavily on how many students they enrol. And the unions in general would certainly not be distressed by the fact that compulsory day-release implies a need for larger work-forces.

The only pity is that, as far as I can see, the same combination is against the interests of the nation's youth.

CHESS SOLUTIONS

Solution to Position No. 95.

1 Q-N7 ch, K-K1; 2 QxB ch, KxQ; 3 R-N7 ch, K-K1; 4 N-B6 mate.

Solution to Problem No. 95.

1 Q-B1. If 1 . . . KxB; 2 Q-R6, or if K-K4; 2 B-N3, or if K-K2; 2 B-B5.

The Financial Times, published daily except Sundays and holidays. U.S. subscriptions $167.00 (air freight) $334.00 (air mail) per annum. Second class postage paid at New York, N.Y.

X-Word winners

Mrs. Ida Allen, 46, High Street, Cullompton, Devon.

Mr. A. G. Botten, 28, Green Walk, Dartford, Kent DA1 4JJ

Mrs. E. Clayton, Wildwoods, Thwaite Brow, Bolton-le-Sands, Carnforth.

Mr. H. Corlett, Stroanville, Laxey, Isle of Man

Mrs. E. M. Liversidge, 9, Milnes Avenue, Thornes Road, Wakefield, Yorkshire WF2 8QH.

هكذا من الأصل

Motoring

A car for its time

BY JAMES ENSOR

THE SIMCA 1307/1308 (to be known in Britain as the Chrysler Alpine) has been elected "Car of the Year" for 1976 by a pan-European jury of 49 journalists from 15 countries. The Simca, with 185 votes (each jury member has a total of 15 points to spread between five cars) was a clear winner over the BMW 316/320 with 136 and the Renault 30 TS with 102 points. The best placed British car, the Leyland Princess was fifth with 49 points and Jaguar XJ-S was sixth with 44.

As in the past two years the competition became a struggle between French and German models with the Peugeot 604, Renault and Simca being effectively challenged only by the German BMW. Last year, of course, the Citroen CX won and in the previous competition—the first all-European award—the Mercedes S Class won by a big margin.

The Simca, which was actually styled at Chrysler's British design studio near Coventry, is a development of the Simca 1301, with the now standard European pattern of five door, hatchback bodywork, and well-tried Simca mechanical units.

It seems to have won the award less through enthusiastic recognition of exceptional technical merit (which was probably the reason for Citroen's victory in 1975) than because of a general feeling that it is an economical car, in tune with the needs of the time. It is certain to be a strong seller and, indeed, has already helped to push up Simca's market share in France.

The Simca was heavily supported by the French jury members despite an unfortunate advertising campaign in the late months of 1975 which announced it prematurely as "Car of the Year." But it found favour too with the Italians and even the Germans who narrowly awarded it victory over the BMW. Only the British judges showed a maverick spirit, narrowly favouring the Jaguar XJ-S over the Simca, but also giving the Renault high points.

The Jaguar, undoubtedly the first promising contender from Britain for a "Car of the Year" award, lost its chance because five litre, 12 cylinder sports cars are just not in fashion this year. Inept public relations which ensured that Continental jury members were far less familiar with the car than the British judges, all of whom rated it quite highly—ensured that it failed even to make to top five.

Nevertheless, the Simca was a deserved winner, in what was perhaps the toughest "Car of the Year" competition for some time. Each of the top three cars might have won in any other year but 1976 but the Simca as one of only four small family saloons competing (the others were the German Ascona and Anglo-German Escort and Chevette) had a clear advantage in suiting the mood of the judges.

Most of the judges spoke of its excellent value for money and its excellent synthesis of some of the features which are required in a car of the late Seventies. The package of transverse engine, front-wheel drive and five doors has been familiar for some time, with the Renault 16 and later the Maxi being the most obvious examples. But Simca has fitted the elements together into an attractive, if scarcely original, body shape and is now manufacturing and selling it in quantity at a very reasonable price.

The Simca, of course, is the model which the British Government has been trying to persuade Chrysler to assemble at Linwood. Indeed orginally like the unsuccessful Chrysler 160/180, the Chrysler Alpine—to give it the British name—was planned for manufacture in both France and Britain. It was dropped from the British plans simply because Chrysler had not enough money to invest in two sets of tooling and jigs. If, in time, the car is made in Britain as well it should be just the shot in the arm which Chrysler U.K., limping along with only the Avenger and two obsolete models, needs to restore some of its competitiveness.

The BMW, oddly enough, though scoring fewer points overall, aroused more enthusiasm among the judges who placed it first than did the Simca which seemed in many cases to be a compromise candidate. Most judges spoke of its driving pleasure and the excellence of its engine in both performance and economy as well as a high standard of finish. In a strong field it is a worthy second; and it is interesting to note that each of the first six cars is already a success in sales terms in its own domestic market.

CAR OF THE YEAR

The results	Points
1 Simca 1307/1308 (Chrysler Alpine)	185
2 BMW 316/320	136
3 Renault 30 TS	102
4 Peugeot 604	70
5 Leyland Princess	49
6 Jaguar XJ-S	44

Golf

Talent off-course

BY BEN WRIGHT

ONE OF the most frequently asked questions of 1975 concerned Peter Oosterhuis. Is he going to make it right to the top, as did the mercurial Tony Jacklin, what now seems like light years ago? Or is he destined to become one of the mediocre mass of faceless ones, the dull, grey band of journeymen who find the U.S. tour so profitable, but who do so little to make it entertaining?

By chance I happened to be commentating as Oosterhuis slid from the sublime to the ridiculous on two separate occasions—yet his reactions were strikingly similar. At the Kemper Open in Charlotte, North Carolina, in early June, Oosterhuis all but holed in one at the par three 17th hole, his brilliant three-iron shot across the lake hitting the stick quite gently.

At the 18th hole of the Sammy Davis Greater Hartford Open in Wethersfield, Connecticut, in sweltering mid-August, the big fellow was very much in contention when, in his third round he blocked one of those dreadful drives to within a yard of the out-of-bounds fence. His second shot thudded into the nearest tree trunk, the ball flew out of the golf course and Oosterhuis took eight, but one could have been excused when looking at his face on the screen for thinking that the two incidents had been transposed. On both occasions one could have easily believed that our man had been mugged and robbed.

A lot of good judges believe Oosterhuis will be a plodder rather than a Jacklin-type shooting star. But I disagree, just as surely as I cannot believe he is afraid of winning the big ones. I prefer to believe that Oosterhuis will break through in 1976 and, having done so, will go from triumph to triumph.

But unless he improves his demeanour this observer, for one, will continue to regard watching golf as having been a lot more fun when Jacklin was around.

No forecasts on the latter, nor brickbats either, only hopes that Tony will learn to be what he has never been—a consistent, world-class putter, perhaps now an impossible dream.

Most happy British memories were gleaned from the latter half of the season, notably when that most engaging eccentric Eddie Polland from Belfast came back from a personal wilderness that I believe will become commonplace among golf professionals—mystery wrist ailments—to take the match play title.

Peter Oosterhuis

Three weeks later, when playing for Ireland at Turnberry, I was intrigued by Polland's stroll from the rain and gale-lashed 18th green during the Double Diamond international matches to inquire earnestly of his wife Carol the state of health of the family goldfish.

Apparently the offending pet had discovered a rooted aversion to Ayrshire water overnight, leapt from his bowl and disappeared. Eddie eventually found him floundering under the bed covered in fluff, but worked mightily to revive and clean up the poor creature before returning him to the water.

When I asked why the Pollands drove around the golf circuit with a goldfish in tow, Eddie appeared surprised. "The poor devil would be lost without me," was his reply, my most amusing printable golfing experience of 1975.

Bernard Gallacher also did a good face-saving job by retaining the coveted Dunlop Masters title, a feat never achieved before, when he triumphed at glorious Ganton, the "discovery" of the year as a venue.

I know the members would regard it as heresy, but if this wonderful club does not get the Open Championship or the Ryder Cup or both in the near future, some enterprising tournament sponsor should try to secure Ganton as a permanent venue. In beating off South Africa's Dale Hayes, gutsy little Gallacher proved what so many believed of the former, namely that he has become better at losing tournaments—but finishing in the frame—than winning them because of a decidedly suspect method, a swing that is over almost before it has begun.

Now for the crystal ball. John Jacobs and his aides have done a fantastic job in setting up so many lucrative tournaments for 1976.

I was horrified to hear the first Director-General of the Tournament Players' Division of the Professional Golfers' Association—and that is the first and last time his title will appear in full in this column—talking about a school for young tournament players being set up within two years.

Jacobs should have said "Here and now." The greatest stumbling block to British golf besides lucrative one-day events are the inferior players who flock to the circuit in droves with neither hope nor ability.

Yet I am procrastinating, and the reason is simple. I can see no great white hope for us on the horizon. Men are by and large far too content to aim at easy, cosy targets with pathetic lack of ambition. But Jacobs and company deserve, and must get, a stronger response if the geese that have laid the golden eggs for 1976 are not to flee the nest.

There are many British and Irish youngsters of abundant promise but insufficient determination. Conversely, those who appear most determined are usually aware of their shortage of natural talent. But if you believe that great golfers can be made and don't have to be born, then this variety is often a better bet.

But the domestic scene is really overshadowed by the might of the U.S. tour, its $9m., and its brilliant superstars. Having so narrowly failed to clean up on Jack Nicklaus and the Grand Slam in 1975 at prices ranging from 250—1 before the U.S. Masters to 66—1 shortly before the U.S. Open, I am sure my own travelling companions and I will be doubling up in that quest in 1976.

Bridge

Changing fortune

BY E. P. C. COTTER

THAT FORTUNE is a fickle jade may be seen from my two examples to-day. The hands occurred within an hour of each other in a recent session of rubber Bridge with one of my favourite partners. Here is the first:

N.
♠ A 10 6 4
♡ —
◇ A K Q 10 7 5
♣ K Q 6

W.
♠ —
♡ K Q J 10 7 2
◇ J 6 3
♣ 9 5 4 2

E.
♠ Q 9 8 7 5 3
♡ A 9 5 4
◇ 9 4
♣ 10

S.
♠ K J 2
♡ 8 6 3
◇ 8 2
♣ A J 8 7 3

I dealt in the North seat and, with neither side vulnerable, opened the bidding with two diamonds. My partner replied with three clubs, and West came in with three hearts. I had already made up my mind to bid a slam, but I contented myself at this stage with four clubs, to see if South had any further contribution to make. When he could only bid five clubs, I raised to six.

This was a feeble bid on my part. Seven clubs would have been better, but perhaps five hearts is the best continuation. This shows good club support, the heart void, and first round control in spades in addition to a strong diamond suit. After this South, holding the spade King, could bid seven clubs.

Against the small slam West led the King of hearts, which was ruffed with the six of clubs, and the King and Queen were cashed. It was slightly disturbing to find East with the singleton ten, but there was no hint of the disaster which was to follow. It looked simple to come to hand with a spade to the King, draw trumps, and find enough tricks in diamonds unless they broke 5—0. Unfortunately, West ruffed the spade and put the contract two down.

In a later rubber this model turned up:

N.
♠ A J 7
♡ 8 2
◇ K 7 4
♣ K Q J 9 6

W.
♠ K 4
♡ K J 9 5 3
◇ 8 6 5 2
♣ 7 5

E.
♠ 10 6 2
♡ Q 10 7 4
◇ 9 3
♣ A 10 4 2

S.
♠ Q 9 8 5 3
♡ A 6
◇ A Q J 10
♣ 8 3

Once again neither side had won a game when my partner, North, dealt and bid one club, to which I replied with one spade. North now said two clubs—why not two spades?—and I went three no trumps. I might, it is true, have shown my diamonds, but I was afraid two diamonds might be passed, and three diamonds gave a false picture of my hand.

Against my three no trumps West led the five of hearts, and I was not pleased when I saw dummy. East played the heart Queen, and I won with the Ace—there was no point in holding up.

Now everything depended on the spades. I led the three and finessed the Knave on the table, which held the trick. Better. But was I to play for the singleton King with West or the singleton ten with East? I had two tricks in which to make up my mind. I cashed King and ten of diamonds, and the clue for which I was looking appeared.

Unless East's nine was a false card, West had started with four diamonds. In that case he was more likely to be short in spades. I cashed two more diamonds, led a low spade to drop West's King, and made five spades, four diamonds, and a heart for one over my contract.

To make up for her merciless treatment in the earlier hand, which, even if unambitious, was not a bad contract, Fortune had now relented and allowed me to make what was a revolting contract by a favourable disposition of the cards.

Property and housing

The year of the enigma

BY JOE RENNISON

THE CHINESE are fortunate in being able to give a label to their years before they happen. The practice is based on their zodiacal system and is supposed to give some indication of the fortune to come. No doubt there is little effectiveness in the system but the simple belief must be comforting to rely on. If the mythical animal of the year fails to perform its magic then some explanation such as the wrath of the gods can be found to explain the upset.

In the confused and sometimes sordid world of the property market it is very dangerous to put a name to a year forecasting doom, gloom or boom: all too often the wrath or the pleasure of the gods strikes in the most unexpected places and at the most unusual times. It is much safer to name the years in retrospect and be brave enough to admit if that is the name you would have given it 12 months earlier.

Changed colour

The following are my nominations for the names of the last five and a tentative guess at what 1976 should be called. 1971 was the Year of the Lark Rising: the market, after its sleep of the previous two years was beginning to wake up and reach for the sky. 1972 was the Year of the Mad Bull: what happened in that year is best forgotten. 1973 was the Year of the Invisible Chameleon when the market changed colour dramatically but could not or would not be seen by the majority of the population. 1974 was the Year of the Bad Tempered Bear when the collapse of civilisation as we have known it seemed imminent.

1975 was the Year of the Sickly Phoenix when at least part of the market revived but the rest continued to jog along at ground level or below.

If pressed to give a name to 1976 I would call it the Year of the Enigma (who about that for hedging bets). But to me it does seem appropriate since in the five years of writing this column there seem more imponderables on the housing front than ever before. By comparison the previous years have been relatively predictable. An increase in activity was a safe bet for 1972 although no one could foresee the extent to which it climbed. Similarly there was inevitable a period of calm after that but the oil crises made even my predictions seem like good news.

There are four basic factors which will have an affect on the market in the coming year: the general economic situation and, linked automatically to that, the attitude of the house builders, the level of funds going into the building societies and the results of the Department of the Environment's review of housing finance to be published this Spring.

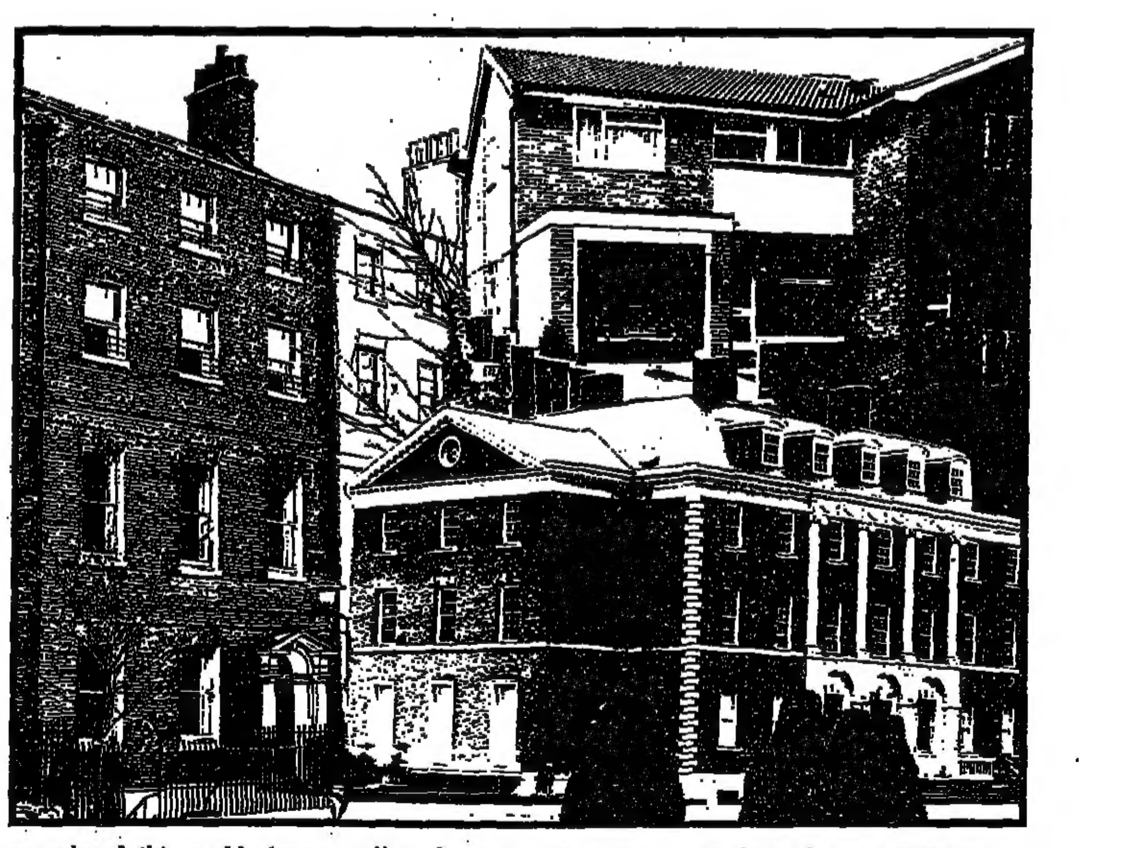
The first is the obvious determining factor on possible price levels. The economy is not in a healthy state to say the least and it would be a brave man who could predict when we will be in a position of at least stability again. But surely most people would agree it is certainly not going to be within the next 12 months. The Prime Minister has warned of the tough times immediately ahead in the coming year and according to many predictions the hard times could last for another two or three years.

In these circumstances it is surely time to put paid to the silly and misleading rumours of an impending boom in prices. Too many people are still playing the property game according to the old rules. Simply because there is too much money about in the building societies or too little property available of a certain kind does not mean—as it no doubt *should* according to the usual laws of supply and demand—that the price of this particular commodity will go through the roof.

We are all considerably poorer these days. And we can only pay for what we can afford. That something is available for purchase does not necessarily mean that there will be a queue of buyers.

It is only if the price is right that someone will decide to purchase the article. This has been the nub of the problem in the property market over the last year and will certainly remain so in the coming year. It is particularly true the higher up the price range one goes. The savaging of the middle and expensive brackets is now a matter of history and there is little indication that things will change for the better. Some have suggested that we have reached the bottom of the decline and now is the time to buy. The same people were saying the same things a year ago and two years ago and still the decline went on. If there is no increase in personal resources to reverse this trend—and it seems unlikely—then their present predictions must be treated in the same way as earlier ones, that is with frank disbelief.

Not only is the price of the house likely to be a discouraging factor for many people, but the cost of its upkeep could be the deciding factor over whether to buy or not to buy. The cost of rates, heating and general upkeep have shot up and there is little likelyhood of them coming down. Naturally the larger the house the costlier to run. There must inevitably continue to be a flight from the larger houses for this reason alone in the coming year. This will mean a continuation of the "trading down" which has been so much a feature of the market in the last year. The housing market is a hard place with its own discipline and that discipline must be adhered to and financial disaster faces those who refuse.



Modest increases

The cheaper end of the market is in a much healthier state than I think anyone expected it would be this time last year. It is not possible to say by how much prices have risen but there have been modest increases. Since the two main indices produced by rival building societies show wildly differing levels of price increases one can only question the value of the whole operation.

The increases were fuelled by the last spate of wage increases. It will be interesting to see if there are wage increases at all after July. If not then even this buoyant part of the market could begin to look sickly. But again it is simply one of the things one cannot predict about 1976.

It could be that there will be a changing geographical pattern. If one looks at house prices over the last few years a definite socio-economic pattern is discernable. It is that prices over the country rose or fell in much the same way nationally given the price differences according to locality and the size of the property. With the prospect of 2m. unemployed this could change. The level of house building is still very unsatisfactory. If it remains so there will be a continuing shortage in those areas which remain relatively prosperous leading to continuing modest price increases. In the other conurbations hit by high unemployment there could be a situation of complete stagnation, with no one willing or able to buy. The market could be split into two: one for the haves and one for the have-nots.

That is in its narrower sense. There can be little doubt that the incredibly bungled housing policies of post-war Britain will continue to produce even more of those who basically have nothing, those whose hopes of a decent life are shattered because of the diminishing prospect of getting a decent home of their own. I hold out little hope of anything constructive from the DoE housing finance review. Even if there are some good ideas in it the changes caused by their implementation will surely cause more grief than they are meant to alleviate.

Private sector house builders see little change this year compared with last—that is given that there will be no sudden policy changes—and expect to build the same number of houses, about 150,000. This is far from satisfactory but we must be grateful for small mercies. But there remain many worries about the Development Land Act and the proposed Development Land Tax. A spokesman for the House-Builders' Federation admitted that last year's figures could have been artificially high with builders scrambling to develop what land they had before the implementation of the Act. If that is so this year's performance could be poorer.

They are also worried about the price of their product. New house prices have lagged well behind the general rate of inflation and builders cannot be expected to absorb the extra costs for much longer. But prices can only rise if the market in general, which for the most part is the buying and selling of older property, shows further upward movement.

They do have one glimmer of hope and that is from the housing finance review. This is not the place to go into the question of housing subsidies in general but the builders argue that there is a vast discrepancy in the hidden subsidies given to the house buyer and those given to the local authority tenant. They argue that the subsidies to the former should and very well could be increased as a result of the review. In which case there would be an incentive to build more houses.

Perhaps the most intriguing situation in the coming year is the attitude of the building societies. They have just had their most successful year both as far as the amount of money they attracted and the amount they lent. And still the cash seems to be pouring in at a very healthy rate. But what will they do with the money if it continues to pour in? As one society executive put it: "With the present economic outlook it could well be that by the middle of 1976 we will be looking for clients."

It is not thought probable that the societies will get over their embarrassment of riches by further increasing their already very high liquidity ratio. An obvious solution would be a reduction in the rate to investors and borrowers. Could 1976 see the end of the 11 per cent. mortgage which has been with us since late 1973? That is one enigam I will let remain an enigma.

The Arts

People and Prints

BY WILLIAM PACKER

The Serpentine's current offering is hardly festive, nor even eye-catching, but none the worse for that. Two quiet and modest exhibitions, as low in key as anything ever shown in these elegant halls, share the space equally between themselves, drawing the visitor gently and by degrees towards the work they hold. Certainly the work in each case is more interesting than it seems to be at first, but it is curious how dominant is the overall impression that what are on show are two exhibitions, pure and simple.

The unaffectedness of the hanging, and the clarity of space, are most seductive; for this gallery is a notorious flatterer, and we must be careful not to transpose its virtues unquestioningly to the works within. Modesty is a virtue, of course, but it does rather depend for its quality, as we well know, upon how much there is to be modest about.

Patrick George, a figurative painter himself of some distinction, was asked by the Arts Council to buy drawings for its own collection which, with some augmentation, might cohere satisfactorily enough to justify their exhibition. Drawings of People is the result of this admirable idea.

Unsurprisingly, and quite rightly, Mr. George followed his own preoccupations and tastes, making no effort to be widely representative or fair. This gives the show strength and integrity: it also makes it a shade predictable. For, at his level of seriousness, drawing is an earnest, obsessive and private business, highly-specialised and sophisticated. So much is this so that it becomes exclusive, and, paradoxically, rather ordinary in its appearance. One might well excuse the general visitor responding to these unprepossessing fragments, smeared and rubbed on dirty paper, with a certain scepticism. Other artists find such things fascinating and informative; but their word must be taken on trust.

There are, nevertheless, many fine things included in the show, some which perhaps do not quite conform to the George criteria of careful scrutiny and tentative response. The examples by Hockney and Kitaj, very different in themselves, exhibit their customary completeness and panache; while Anthony Green's idiosyncracies keep him apart. But there are notable contributions too from the more orthodox brethren; from Lucien Freud in particular, and from Anthony Eyton, Michael Kenny, and Patrick George himself; and two tiny and exquisite studies by Tony Fry.

Lucian Freud: Drawing of a girl, Alice

The companion exhibition of American minimal prints, called, somewhat portentously, *Order and Experience*, is not the contrast one might suppose; for the change is of subject-matter and intention, not of mood or effect.

Minimalism requires some explanation, though it must be somewhat loose. The intention implicit in such work is to pare down external reference to the bone. It cannot be done away with altogether, but the skeleton may be picked and bleached and inspected. All Art, if Art is to be contemplated at all, must retain at least that contemplation as its subject. Here, as impersonally as possible, the fundamental order and structure of things is presented to us.

The several artists working in such a way today find themselves at the sharp end of an historical process, well-documented and respectable. The work they do is useful and even important, and deserves attention, but it is by no means unique in this. Their amourpropre, however, would seem to tell them otherwise. Purism is always attractive for its exclusivity, and here, unfortunately, the artists have been encouraged in their precious introversion by the enthusiasm of their apologists.

Of course a straight line is lovely, and so is a square and a circle. Fold a piece of paper and the point is made with admirable economy. But the point is precisely one of demonstration. Blake asked us, some time ago, "to see a World in a Grain of Sand," and left it at that. Once elegant variation sets in the returns diminish with appalling rapidity.

And so we see again Agnes Martin's enigmatic grids and Robert Ryman's white aquatints, Brice Marden's ponderous exercises, and Sol Lewitt's tired system working itself out. Individual pieces stand out as lovely things in themselves, with presence enough to hold the eye and the mind; but the sequence wins at last, each piece insensibly diminishing its neighbour.

Some of the prints are slipshod in execution, not square on the paper and carelessly drawn. In a show that stands by its nicety and refinement, such blemishes are unusually obtrusive.

Finally, in the one unsatisfactory exhibition space in the Gallery, occupied as it is by desk, catalogues and post-cards, is a small but intriguing show of photographs by Sylvester Jacobs, an extract from his series, *Portrait of England*. They are undemonstrative, unprejudiced images, informal and typical. They have the spontaneity and authenticity of the snap-shot, without its naivety. Indeed they are the product of a sophisticated mind and a judicious eye.

These three exhibitions remain at the Serpentine until January 18.

Simon Boccanegra

BY RONALD CRICHTON

Verdi's *Simon Boccanegra* in the revised version of 1881 for La Scala has quite superseded the much earlier original, written for Venice in 1857. The later version has won a place in the British repertory through revivals by Sadler's Wells, Covent Garden and Welsh National Opera (La Scala will bring it to London in March), but even our enterprising fringe companies have not so far disinterred the first version. Now the BBC has sprung to the rescue with a performance edited by Alan Boustead, produced by Julian Budden and conducted by John Matheson, recorded with an international cast in the summer, and broadcast on Thursday afternoon on Radio 3 as a most welcome bonus for New Year's Day. The revised version, in the RCA recording, will be broadcast to-morrow afternoon.

The easy way to describe the 1857 version is to say what is missing from the second. For this, Verdi called in the help of Boito to touch up Piave's libretto, as he had previously (so Julian Budden's interval talk informed us) had recourse to one Montenelli. Boito made some cuts (the cabaletta, for instance, to the Amelia-Adorno duet in Act 1) and tightenings and wrote a completely new scene for the end of this act, setting it not in the public square but in the Council Chamber, providing Verdi with the opportunity to write one of his greatest finales. Verdi also wrote a new Introduction for the Prologue, one of those atmospheric pieces which plunge the spectator immediately into the feeling of the work—but the original Introduction, a kind of truncated pot-pourri overture, also passing straight into the first scene, and opening with a "Boccanegra as Doge" theme that disappeared altogether in the later version, is not uninteresting.

Hearing the original helps one to understand what Verdi, in one of his grim self-castigating moods, meant by describing it as "monotonous and cold" in spite of the affection in which he privately held it. Though we may admire the concision and tautness that override the complications of the plot, there was not much to arouse instant enthusiasm in a public fired by *Rigoletto* and *Il trovatore* to say nothing of earlier successes. Fiesco's "Il lacerato spirito" is rightly admired, but may at the time have seemed tame after the "Miserere," Amelia's greeting to the sea at dawn is a difficult aria to bring off, and the scoring of the early version lacks the Meyerbeerian sparkle of the later one. Without his magnificent outburst in the Council Chamber scene, the Doge of Genoa himself is half the character he was to become. There is no urgent need to revive the first *Boccanegra* in the opera house, but there is every reason for broadcasting it, especially in a reading so convincing that one became less and less concerned with the differences between the versions, content to take the music on its own terms.

Matheson's conducting was warm and flexible but sometimes too soft-focused. The name part was sung by Sesto Bruscantini, interesting casting, because he is one of the most sensitive and intelligent baritones of the day, and the role is apt to go to singers too determined to stress the Doge's buccaneering past—an element which does not, apart from his evident love for the sea, appear to have much concerned either composer or librettist. Bruscantini was a little boxy in the early scenes, but his sympathetic treatment of the later ones was most rewarding. It would be interesting to hear him in the later version.

As Fiesco, Gywnne Howell's beautiful bass failed only in suggesting the harsh, unyielding aspect of the bereaved patrician father. Stupid tenors do little with Gabriele Adorno, the young patrician who wins Boccanegra's daughter and succeeds him as Doge. Andre Turp with his bold attack, keen colour and only occasional unwise pressure made him consistently interesting. Maria (introduced as Amelia) was Josella Ligi, one of those sopranos with a middle and lower register like plum cake but some difficulty at the top of the stave. She delivered her aria with more confidence than finesse, but later produced one or two fine, soft high notes. William Elvin as Paolo and Paul Hudson in the small part of Pietro were notable—with such a scarcity of Verdian baritones Mr. Elvin deserves more opportunities.

An eventful year for the Royal Shakespeare

"1976 will be a Company Year," Trevor Nunn said when introducing the Royal Shakespeare Company's 1976 programme yesterday, "with the participation of all the members of the RSC directorate, the associate directors and a majority of associate artists."

Mr. Nunn will himself resume overall responsibility at Stratford, both for the Royal Shakespeare Theatre and the Other Place. There will be six productions at the Royal Shakespeare:

Romeo and Juliet opens on March 29. The name parts will be taken by Ian McKellen and Francesca Annis; Marie Kean is the Nurse. *Much Ado about Nothing* follows on April 5, with Donald Sinden and Judi Dench as Beatrice and Benedick. On June 1, a new production of *A Winter's Tale*, with Barbara Leigh-Hunt as Paulina, Michael Williams as Autolycus, John Woodvine as Polixenes and Nickolas Grace as Florizel.

Early in August comes *Troilus and Cressida*. Mike Gwilym plays Troilus and Francesca Annis, Cressida, with David Waller as Pandarus and Michael Williams as Thersites. In September, *The Comedy of Errors* with Michael Williams and Nickolas Grace as the Antipholi and Judi Dench as Adriana. Finally, in October Donald Sinden will play Lear, his long-deserved leading tragic part.

Meanwhile at the Other Place there will be productions of Brecht's *Schweik in the Second World War*, with Michael Williams; Charles Wood's *Dingo*, with Paul Shelley; *Macbeth*, in which Ian McKellen will play Macbeth and Judi Dench, Lady Macbeth; *Destiny*, a new political play by David Edgar; and Edward Bond's *Bingo*. All six will be played on a permanent stage.

In London, the Aldwych starts on January 16 with the *Henry IV* and *Henry V* plays and *Merry Wives* from last year's Stratford season. There will then be a season of plays to run in repertoire, making all possible use of permanent staging features. Those so far scheduled are:

The Zykovs, by Maxim Gorky; *The Lower Depths*, with Sheila Allen, Mia Farrow, Mike Gwilym and Paul Rogers; and *Old World* by Aleksei Arbuzov (who is also to have a big showing at Bristol this year). Peggy Ashcroft will play in the Arbuzov, celebrating her 50 years in the theatre.

At the Round House, Peter Brook's production of *The I*... will open on January 15 in the main theatre, and the Other Place productions of *Hamlet* and *Man is Man* will play in repertoire at the Downstairs Theatre.

B. A. Y.

Collecting wisely

Fireside fun and games

BY JUNE FIELD

CASSELL'S *Book of Indoor Amusements, Card Games and Fireside Fun*, first published in 1881, considered it a matter of great regret that the names of most of the people to whom we are indebted for our favourite round games should be buried in obscurity: "For they deserve in our estimation, the name of benefactors quite as much as any great discoverer or inventor. What higher aim could they possibly have had in view than that of teaching people how to enjoy themselves?"

The high-minded Victorians combined amusement and instruction in their parlour games. Something like "The Adventurers," for instance, gave everyone the opportunity of airing their geographical knowledge; the players had to imagine themselves a party of travellers bound for foreign lands and talk knowledgeably on the country of their choice.

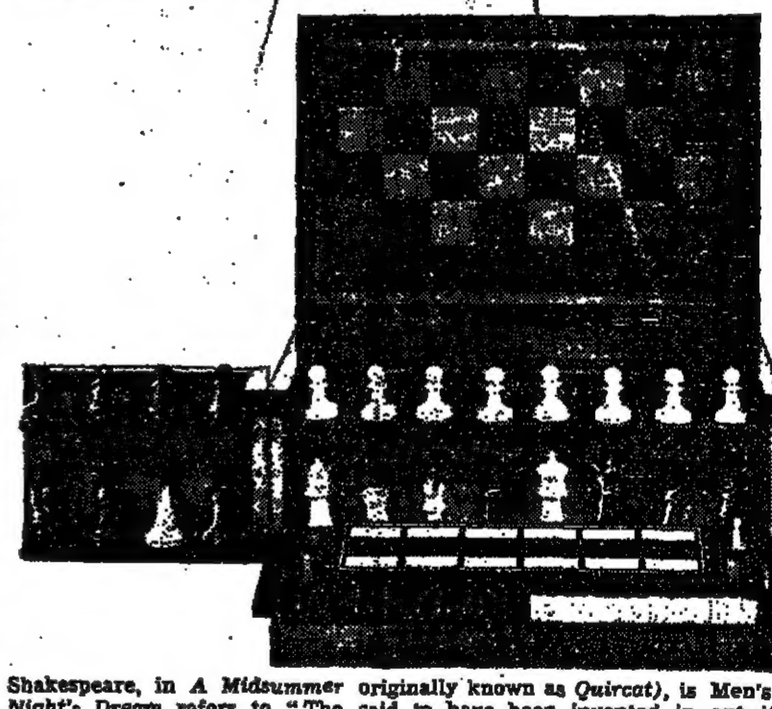
But in general the games were often trite and repetitive. Only when it came to puzzle and word games was some real skill required.

William Pitt favoured the Logogram (where a word undergoes several transpositions by the addition, subtraction, or substitution of a letter), Lord Macaulay was adept at the Rebus (defined by Dr. Johnson as words represented by pictures), and Charles James Fox found time "to indulge his vein of pleasant humour" in Numbered Charades, a species of conundrum.

My *first* is expressive of no disrespect,
But I never call you by it when you are by;
If my *second* you still are resolved to reject,
As dead as my *whole* I shall presently lie.
Answer: Herring (Her-Ring).

Board games have an ancient lineage and many can still be played to-day. Senat, the Game of the Thirty Squares, was played in Egypt over 3,000 years ago, and more recently by Egptian and African tribes as the Game of Seega; the object is to trap or block all the opponent's counters, and if after play has begun, neither side can move, the player with the most counters on the board wins.

Nine Men's Morris dates back to about the same time. A board cut into a roofing slab at Kurna in Egypt shows that workmen building the temple there played the game around 1400 BC, and a morris board was among the personal possessions of the king buried in the Jokstad Viking ship about AD 900. The name, derived from the Latin *merrulus*, coin or token, became *Merrelles* in France, *Muhle* in Germany, *Mlyn* in Czechoslovakia, *Melnitsa* in Russia, and morris in England.



Victorian games box sold recently at Sotheby's Belgravia

Shakespeare, in *A Midsummer Night's Dream* refers to "The nine-men's morris filled up with mud."

Draughts, related to chess and *Alquerque* (an Arabic game originally known as *Quircat*), is said to have been invented in Southern France in the 12th century where it was called *Dames*. When the Pilgrim Fathers took it with them to America it became Checkers.

Ludo, commercialised in the 1890's, is a descendant of the Hindu *Pachisis*. Maharajahs played it using palace courtyards inlaid with marble as a board, and slavegirls as counters. Halma, invented around 1880 is for four players on a chequered board; in the centre of each square is a drill-hole which takes the pegs of Halma pieces made of bone or ivory.

The old pastimes are well documented for players and collectors. Cassell's book was reprinted in 1973, and there is still the odd copy around. F. R. B. Whitehouse's scholarly *Table Games of Georgian and Victorian Days* £2.25 (Priory Press 1971) is obtainable through the London Art Bookshop, 7/8 Holland Street, London, W.8., and *The World Book of Children's Games* by Arnold (Macmillan, £4.50), has just been reprinted, as has Scarne's American-orientated *Encylopaedia of Games* (Constable £6); *Victorian Parlour Games For To-day*, compiled by Patrick Beaver is delightfully illustrated with old drawings (Peter Davies, £5); and *Discovering Old Board Games* by R. C. Bell (Shire Publication Series, 40p) is an excellent introductory guide.

Prices of the equipment for old games vary considerably. An interesting 18th century Italian ebonised wood games box with a secret panel which slides up to reveal boards for backgammon, chess and Nine Men's Morris, regrettably without its markers and counters, costs £75 at Ingram Warwick, 20a High Street, Amersham Old Town.

A mid-Victorian games box fitted with draughts, chess and cribbage made £120 at Sotheby's Belgravia recently. An exceptionally elaborate set of ten boards, for *Le Jeu de l'Oie*, the ancient Game of Goose from which most race games derive, sold at Christie's last month for a remarkable £4,410 against an estimate of £1,500-£2,000. But the boards were beautifully done in body colour on vellum by Jean Mondon, known as Mondon le Fils, who worked in Paris between 1736 and 1745, and each one was stamped with the royal arms of France which suggests that they may have been commissioned for King Louis XV.

Just Games, 1 Lower James Street, London, W.1, has an enormous stock of contemporary versions of traditional games, and their Sonia Labovitch will also search out old games to order. Among her current finds is the board game "Across The Seas or London To Japan," where each player has a ship to navigate on the throw of the dice, coping with such disasters as Fog, Typhoon, Steering Gear Broken, and Mutiny at Singapore—Go back to Colombo for new crew. She also has "Minora," an Edwardian race game, an ivory chess set, old counters, shakers and dice. Although the shop is open six days a week, the old items can only be seen by appointment. A Draughts Open Day is planned for next month for all who want to join in, participation being the true name of all these games.

How to spend it

by Lucia van der Post

● A stylish and very warm jacket in grey and brown raccoon with toning brown leather panels; £650 to order from Konrad Furs, 12, South Molton Street, London, W.1.

● For the really rich set, when you've already got your classic mink, here is a totally enchanting ski mink jacket in grey and white. It was on sale at £810 but has now been reduced to £299 in the sale. Available from the National Fur Company, 193-195, Brompton Road, London, S.W.3.

With the coldest months of winter still to come, perhaps it is time to

Consider a Fur

IT DOESN'T seem, perhaps, the best of times to write about fur. After all, times are hard, are they not, and it's after Christmas that things usually seem bleaker and harder than ever. However, I've decided to write about furs not just to be contrary but because for those who can raise the money to buy one, now, according to the experts, is as good a moment as they are likely to see for some time to come.

Historically, fur, and in particular that blue chip, mink, has fared well as an inflation beater. Whereas just after the last war a mink coat would sell for about £3,000 to-day a similar one sells for about £1,500. The arrival of mink breeding has largely been responsible for bringing prices down so dramatically. In fact over-production of mink led to a slump in prices a few years ago and though prices have now inevitably risen a good fur coat is still one of the most comforting things to have in your wardrobe.

It may not be an investment in the way that diamonds or krugerrands are—in that you will never be able to sell it for more than you paid for it—but in terms of the pleasure, the warmth and the value for money, it is an investment in the best sense of the word.

If you take care to buy a good fur it should go on year after year and if you do get bored with it you can have it restyled for between £100 and £300, or you could even have it dyed.

When finally it's really past its prime it can be made into a lining for a raincoat, thus turning an everyday garment into a truly filmstarrish one. Not only is it glamorous—it's very warm and practical.

Finding your way round the price structure of furs isn't easy. The last Budget added VAT of 25 per cent. to all furs, except coney and sheepskin which still carry the old rate of 8 per cent. Any garment carrying fur trimmings would also be subject to the 25 per cent. VAT rate if the value of the trimmings is greater than that of the rest of the coat or if the fur constitutes more than a fifth of the area of the garment.

Choosing a fur, like any other major buy, requires a bit of work. You should take time to choose a good furrier. Don't be put off by grand names—they are quite used to people coming in, telling them how much they've got to spend and then advising them on the best buy in their price range.

With fur, as with everything else, you mainly get what you pay for. Nearly all skins are bought abroad and at the moment several furriers still have furs made from skins bought before the pound began to drop so disastrously. This is one reason why furs are thought to be a good buy at the moment. Secondly, a good fur coat is largely handmade and labour costs do not seem likely to fall.

The price of a fur is naturally affected by the quality of the skins and this is dependent on many factors like the density, silkiness, sheen and colour. Many of these are not easy for the amateur to detect and so make yet another reason for going to a good furrier whom you can trust. Stranded minks are more expensive than flat or block-worked mink, skins from the female are more expensive than those from the male.

When it comes to choosing a specific fur all the experts my assistant, Patricia Wright, spoke to, were unanimous. Whatever sum of money you have to spend use it to buy a good quality fur of its sort—much better a really good quality musquash than a poor quality mink.

For most of us it is important to know which furs are hard-wearing and which are not. Racoon and Wolf are much the most hard-wearing of the long-haired furs. Fox is less so and among the less expensive furs Musquash is a good hard-wearing choice. "Persian Paw" (which is pieces of Persian lamb taken from the paw) is practical because being pieces rather than skins those bits that become worn can be easily repaired.

For those who want glamour with a lower price many furriers nowadays make coats and jackets from a combination of fur and leather panels. The leather panels help to keep prices down, give a slimming effect for those who need to worry about such things (furs like fox, for instance, can be very enlarging for those who are less than sylph-like). The saving in price can be quite extensive as, for example, one furrier quoted a full-length fox coat with leather panels selling for £865, whereas if wholly in fox it would be £1,400.

At the National Fur Company (sale already on at 193-195, Brompton Road, London, S.W.3.), they have ranch mink coats reduced in price from £1,665 to £1,295, whereas when worked with leather panels the price was £798 reduced to £449 and when worked with suede panels the reduction is from £885 to £485.

Many furriers recommend a jacket as being the most practical fur of all. In particular Konrad Furs have a style with a tie-belt which can unbutton, leaving a half belt at the back so that it is equally suitable for day or evening wear.

Full-length coats can be made with detachable bottoms so that they can be worn at either midi or maxi length.

As for prices, it is difficult to give clear-cut advice. At the moment the sales are either on or about to start and everybody seems agreed that it is a very good time to buy a fur.

Maxwell Croft, of 105, New Bond Street, London, W.1., which is a very fashion-conscious furrier, likes to have a clean start each year, so they will be offering very good reductions from January 14. The furs are very high quality but may be a size or a style that for some reason hasn't sold—if it suits you and you really like it, it's a very good buy.

For those who don't need too robust a fur he has in particular a full-length calfskin coat trimmed with fox which has been reduced from £475 to £250.

Harrods (whose sale starts on January 10th) also seem to have some very good buys—there is one dark ranch mink coat reduced from £1,600 to £500, a blue Fox coat from £1,500 down to £750 and a dyed musquash black coat down from £495 to £395.

For those who are seriously considering buying a fur the British Fur Trade Association has brought out a new edition of "Fascination of Fur," a booklet which they will send free of charge (but please enclose a stamped addressed A4 envelope) to readers wanting to know more about fur. It gives advice on what to look for when buying a fur coat, how to treat a fur coat, hints on wearing qualities and a list of furriers subscribing to the Association. Write to them at: British Fur Trade Association, 68, Upper Thames Street, London, EC4.

● If you can't afford a full-length coat, even a hat can add a very luxurious touch—and they're warm. Fab Furs, of 122, Draycott Avenue, S.W.3, a young fur company run by Barbara Warner, has a big selection of smaller fur items, as well as some good bargains in full-length furs of all sorts. There are fur scarves as well as hats. This particular hat is in red fox and it sells for £45 but silver and shadow fox start at £49 whereas Racoon would be about £45.

● The combination of the most luxurious of furs, Saga Mink, with the most casual of styles, the duffle, is particularly engaging. The jacket was designed by Antony Kwok from the Chelsea School or Art and it won him first prize in the Seventh Saga Mink Design Competition. In Saga Mink the jacket costs £680 (excl. of VAT) but in musquash it would be about £280 (again excl. of VAT). Available from K. West, 21, Heddon Street, London, W.1.

How will your fur wear?

Long Haired	Medium Furs	Flat Furs
Very hardwearing:		
S. American Skunk	Beaver	
N. American skunk	Beaver Lamb	Ponyskin (pony)
Racoon	Mink	Hairseal
Hardwearing:		
Baum Marten	Nutria	Persian Lamb
Stone Marten	Musquash	(heavier skins)
Wolf	Kolinsky	Calfskin
Medium to delicate:		
Fox	Marmot	Kidskin
Lynx	Coney	Mole
		Broadtail

For those readers still struggling with our Quiz (from the issue of December 27... three prizes of three bottles of champagne to be won!) we have to report a small error in one of the questions. In question No. 12, labelled Word Search, in the top line of letters, the 7th letter from the left should be a D and not a K. Those who have already submitted entries have spotted the error for themselves and it doesn't seem to have ruffled their aplomb one bit. Those who were in doubt might like to alter the letter on their copy of the page now.

Help for those in need

Post Christmas is traditionally the time when money is shortest. At this time of year, under present conditions of raging inflation, increasing numbers of fixed income middle-class are struggling with ends that never meet . . . Advice and help are urgently needed by many who just do not know where to look for either and who resist disclosing their financial difficulties after a lifetime of self-reliance. This is a practical piece, giving addresses and information.

WHAT is really happening to those on small fixed incomes in the midst of this economic crisis? It is those sort of people who feel the crunch—not only the elderly but the young with no margin to spare and the middle-aged, middle-class, who thought their savings would just see them through in homes they could just afford, as well as those who are tied to the badly-paid professions.

There is a network of organisations which exist as a safety net for the hard-pressed but they are rightly concerned to keep their clients' confidences and it is not easy to extract details of help given.

Perhaps the most comprehensive of the organisations and one of the oldest is the Professional Classes Aid Council, which exists to help members of the professions and their dependants. The PCAC mobilises all possible statutory help and all allowable additions from the appropriate benevolent associations and then, if necessary or if the applicant does not qualify for some allowances, the PCAC provides what is necessary to bridge the gap.

Often, as its Council says, it is advice that is most needed. It may be necessary to approach six or more charities to obtain grants from them and to administer them. The broad rules laid down for the Department of Health and Social Security are not unkindly administered but they cannot take account of individual problems nor cater for more than the allowable necessities.

Anyone who is having a tough time should get, from their nearest DHSS office, the current booklet on Family Benefits which covers the long list of allowances obtainable, ranging widely from rates rebates to fares to hospital, attendance allowances and what services should be available through local authorities.

There are no "typical cases" of those helped by PCAC but what happened to Mrs. H., wife of a surveyor, shows how urgent needs can be met.

Mrs. H. was battling to keep their home for her children, during her husband's terminal illness in hospital. She had a part-time job but even then, with all the allowances and benefits to which she was entitled, she just could not stretch her total income to cover mortgage repayments, HP on her little car that was vital for her job and hospital visits and the steadily escalating cost of living.

She sought the advice of the PCAC, which helped her with her fuel bills, a clothing grant for the children and a cash grant. When her husband died she was given an immediate cash grant to help her while she stabilised her affairs.

Then there was Mrs. L., suddenly widowed and left with a minimal income and a son of 16, just taking his A-levels on the way to university. At once she got a paid job, though poorly paid, and refused her son's offer to leave school and start earning.

To the PCAC she wrote: "I'm finding it increasingly difficult to make ends meet, the cost of living goes up and up and clothes for my son are so expensive. . . ." The Education Committee of the Council made her son a clothing grant and a pocket-money allowance. When the good news came that he had done well in his A levels, she was able to send him on to university on a grant.

And the poorly-paid professions? We accepted the fact that our C of E clergy are not well-paid even after a recent upgrading of their stipends. It is a symptom of this that I found two major and several smaller charities concerned to help them. For example a vicar of 43, with a family of five children and a large vicarage to maintain, faced a nightmare of unpaid bills and a large overdraft at the end of every month. His wife goes out to work but it was the Friends of the Clergy Corporation that helped him out.

In these days the most unexpected people are unexpectedly hard up and again and again the description "gentlefolk" occurs in the titles of organisations that exist to help them. The phrase is somewhat off-putting to most but is really used to cover those with needs that the existing State allowances cannot meet. Those who have joined "the RUKBA" family gain a sense of security after the stress of emergencies. The Royal United Kingdom Beneficent Association exists to provide annuities and other help for those in need. They also run residential homes and they can and do give immediate grants towards emergencies. They aim to help those who want to remain in their own homes and feel most people can be helped to do so. RUKBA is friendly and kindly and understanding.

The National Benevolent Association realises that so many of the badly-off to-day live comfortless lives, having themselves so little to offer that they hesitate to accept hospitality from their friends.

Both men and women are on their long list of beneficiaries who are granted pensions to supplement their incomes.

One thing emerges from the jungle of the present economic situation and this is that it is wise (and possible) to seek advice early rather than erode your health by worrying. . . . The experts at the Professional Classes Aid Council have a wide-ranging area of contacts and they are essentially expert as well as very human. They told me, with pride, that a young man whom they had helped, walked into their office not long ago, gave them a cheque for the money given him, plus interest, before he left to take up a good post they had made it possible for him to obtain.

Professions, occupations and all the services have their benevolent organisations to which, like most of us, we have subscribed in our good times. There is no shame in asking their advice or help now.

Reliable advice is what most of us who are feeling the crunch, need and can get from Bank Managers, stockbrokers, insurance agents and the experts of such an organisation as the Country Gentleman's Association whose experts have saved me a great deal over the years.

List of addresses

1 The Professional Classes' Aid Council
10 St. Christopher's Place
London W1M 6HY (01-935 0641)
The annual report of the PCAC (see number one above) provides a comprehensive list of organisations represented in their council. Send a s.a.e. for the list.

2 The National Benevolent Institution
61 Bayswater Road
London W2 (01-723 0021)

3 RUKBA (Royal United Kingdom Beneficient Association)
6, Avonmore Road, London, W.14. (01-602 6274.)

4 Distressed Gentlefolks' Aid Association
Vicarage Gate House
Vicarage Gate
Kensington London W8 4AQ
(01-229 9341)

5 Corporation Of The Sons Of The Clergy
1 Dean Trench Street
London SW1P 3HB

6 Friends Of The Clergy Corporation
27 Medway Street
Westminster London SW1P 2BD (01-222 2288)

7 Royal Medical Benevolent Fund
24 King's Road
Wimbledon SW19

8 The Country Gentleman's Association
Icknield Way West
Letchworth Herts SG4 4AP

Joan Woollcombe

Meet 'Tinlizzie'

EVER since I wrote a couple of years ago about the charming but rather elaborate stoves that Rose Gray and David McIlwaine were importing from France, it has become clear that the potential interest in stoves using ordinary wood was enormous. Readers write in from their fastnesses in the Scottish Highlands, the Irish hinterland, the hills of Wales, wanting to know where and how they could find a simple version of such a stove.

Well, all those readers, if they haven't yet found the answer, might like to meet the "Tinlizzie." Tinlizzie has been designed and made by David McIlwaine himself who still imports the French stoves, but wanted as well to produce the simplest, cheapest possible wood burning stove.

The "Tinlizzie" burns wood of all kinds, including those that, like Elm, are difficult to burn in a conventional open fire.

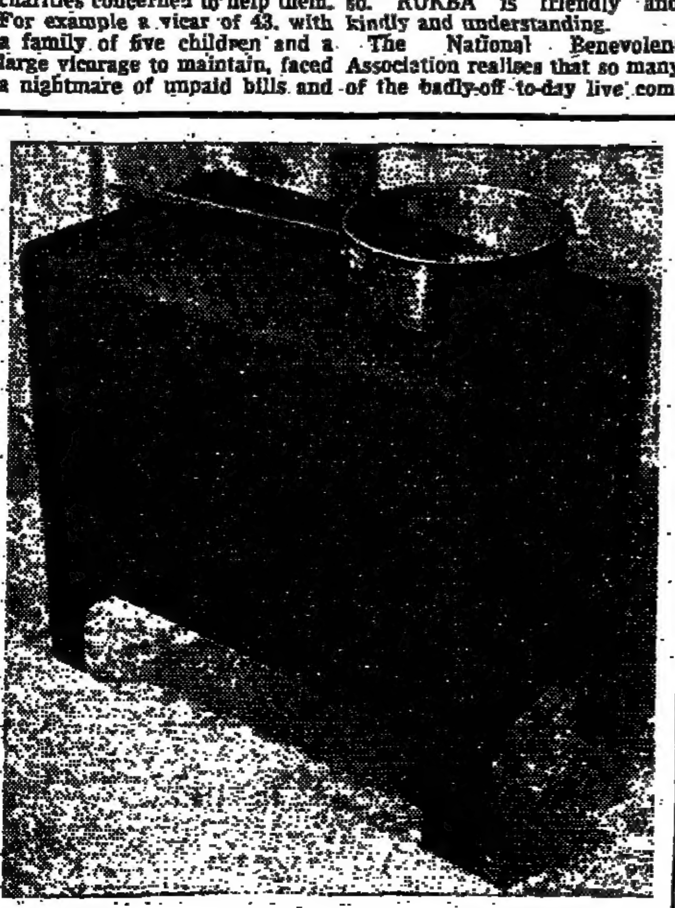
The "Tinlizzie" measures 17½ inches by 28 inches by 11 inches and according to the supplier produces up to 6 KW of heat which is enough to warm a room of 24 feet by 15 feet. If it were burning at full-stretch for all 24 hours of the day it would use 4 to 5 medium size logs or about 36 lbs of timber.

The stove can also be used for cooking as there are two removable hot plates. Made of reinforced steel which doesn't absorb heat it is more efficient at dispersing the heat.

The stove arrives ready-built and is installed by fitting the flue pipe into an existing chimney or stove pipe extension. It is supplied by Hugh Sharman, CTT Ltd., 143, Maple Road, Surbiton, Surrey, who will organise the installation for those within a reasonable distance of Surbiton.

For those living further afield he will send the stoves by BRS but buyers will have to arrange for a local firm to do the installation.

The stoves cost £64.80, including VAT.



HOME NEWS

Signs of recovery in chemical industry output

BY RHYS DAVID, CHEMICALS CORRESPONDENT

CHEMICAL output in the U.K. staged a small recovery in the third quarter of last year from the very depressed levels of the previous three months—a sign that destocking by the industry may have come to an end.

According to figures published in Trade and Industry, the official Government publication, output rose by 3 per cent. from 112.5 to 115.7 (1970 = 100). This is still some 12.3 per cent. down on the peak output figure of 131.7 in the third quarter of 1974, however, and with no further substantial recovery likely during the rest of the year, output for 1975 as a whole is expected to be down some 10 per cent. over last year.

The latest figures do offer some other encouraging signs, however, including evidence that exports remain substantially ahead of imports at a time when the volume of both has been running at reduced levels. A continued recovery in investment during the year is also apparent.

Exports in the first three quarters of the year were 16 per cent. down by value with the third quarter figure of £522.7m. down substantially on the £568.5m. in the previous three months. But imports over the first three quarters are 26 per cent. below the same period in 1974, though in the third quarter imports actually recovered to £354m. from the £345m. figure of the second quarter. The rise in imports is probably a further reflection of restocking by U.K. manufacturers.

Capital expenditure which was at a depressed level for much of 1974 has continued to recover throughout 1975, climbing to more than £147m. in the second quarter against only £80m. in the same quarter of 1974. In the first half of 1975 investment was up 16 per cent. on the same period of 1974 and according to Trade and Industry there was a further substantial increase during the third quarter.

More disturbing for the industry is a further rise in prices of materials and fuels in the third quarter of around 3 per cent. compared with the previous quarter. At the same time as a result of depressed market conditions the rate of increase in the industry's prices slowed down. Employment in the industry rose by 800 between June and September this year to bring the total to 426,000, but this remains 14,000 fewer than at the same time last year. Trade and Industry also suggests that the trend may have been downward again in recent months.

Film spectaculars back at the top

BY ARTHUR SANDLES

THE big-budget cinema spectacular clearly won back dominance in audience popularity in 1975.

The top three films in British cinemas last year were The Towering Inferno, The Exorcist and The Man With the Golden Gun—all of them multi-million productions.

Figures produced by the magazine Screen International show that sex is in retreat too as a major box office draw. Of the top 20, only two pictures, Emmanuelle and Confessions of a Window Cleaner, were overtly sexual in presentation.

EMI continued its success in the film-making stakes with three pictures in the top 20, with Murder on the Orient Express being the big money-spinner. Rank had a major stake in one of the pictures, the Four Musketeers.

But the big talking-point of the cinema at the moment remains the film Jaws—top of the American lists for 1975.

Already in Britain, it has broken various records. There are now indications that it will gross more than £500,000 in its first ten days of U.K. general release.

The U.S. Top Ten: Jaws, Towering Inferno, Earthquake, Return of the Pink Panther, Shampoo, Alice Doesn't Live Here Anymore, Funny Lady, Tommy, Murder on the Orient Express, Young Frankenstein.

U.K. FILM TOP TEN

	Cert.	Origin
1 Towering Inferno	A	U.S.
2 The Exorcist	X	U.S.
3 The Man With the Golden Gun	A	U.K.
4 Emmanuelle	X	France
5 Earthquake	A	U.S.
6 Airport '75	A	U.S.
7 Murder on the Orient Express	A	U.K.
8 Papillon	AA	U.S.
9 Stardust	AA	U.K.
10 Island at the Top of the World	U	U.S.

Source: Screen International.

SE disputes share issue claim

By Michael Lafferty, City Staff

THE Stock Exchange has expressed its "grave reservations" about the claim in the book Company Finance in Europe that the German and French stock exchanges provide more new capital in a year for industry than does the London market for U.K. industry.

The Stock Exchange points out that the book uses OECD figures giving the total of funds raised in the U.K., France and Germany by issues of shares.

These figures, it says, are not comparable, because the U.K. figures relate only to funds raised by companies on the Stock Exchange, whereas the figures for Germany and France include share issues by unlisted companies.

The Stock Exchange published its own figures for listed share issues in the three countries over the period 1971 to 1973. During that time, it adds, the U.K. raised \$2.69bn., while Germany and France raised \$2.44bn. and \$1.05bn. respectively.

The authors of the book are Professor J. M. Samuel, Dr. R. E. V. Groves and Mr. C. S. Goddard. The book was published by the Institute of Chartered Accountants in England and Wales.

The book criticises the U.K. capital market for its lack of success in allocating funds into the most productive investment opportunities.

The authors are also critical of the emphasis on short-term returns, mergers and takeovers, and property investment, which they claim has worked against long-term industrial investment.

Ryan hotel holding to change hands

BY STEWART FLEMING

A CONSORTIUM of investors including Aer Lingus and the Norwich Union Life Insurance Society, have offered to buy Irish financier Dermot Ryan's holdings in the hotel and tour group Swan Ryan International.

Mr. Ryan, the founder and chairman of the company which has a turnover of some £10m. announced last year that he intended to retire from the business which he started 25 years ago with a car rental company.

He said yesterday that the companies buying his and his family's shares for £200,000 had the financial strength to back up the group which he on his own did not have. He pointed out that financing the bond for the tour company was a constant annual problem.

In addition to Aer Lingus and the Norwich Union the consortium includes Hammond Holdings, Irish Life Assurance, and the Investment Bank of Ireland. The holdings they are buying are 68,236 Ordinary shares, 648,893 participating Preference shares, and 2.2m. deferred Ordinary shares.

The consortium and the Ryan interests have agreed that invitations to join the Board of the company should go to Mr. Michael O'Riain, deputy chief executive of Aer Lingus, and Mr. John Donovan, former chairman and chief executive of Esso Teoranta, and that Mr. Conor McCarthy will become non-executive chairman. Mr. Robert J. Power, who resigned last November as managing director of Swan Ryan, will be appointed chief executive and a director, and Mr. Philip J. Murphy, the financial director, will be appointed deputy chief executive.

Mr. Ryan, Mrs. G. Ryan, Mr. D. Walsh and Mrs. P. Walsh have agreed to resign as directors of the company.

Benn for Mid-East oil talks

BY PHILIP RAWSTORNE

MR. Anthony Wedgwood Benn, Secretary for Energy, is to visit Iran and Saudi Arabia next week for the first of a series of talks with Ministers in leading oil-producing countries following the recent Paris energy conference.

He intends to investigate the possibilities for co-operation between the new British National Oil Corporation and State-owned companies in the Middle East.

Mr. Benn will also explore the opportunities for increasing British exports of technical equipment for the oil industry and for the development of nuclear energy programmes in which several of the Arab oil States are now interested.

Mr. Benn flies to Tehran on Monday and is due to meet the Iranian Prime Minister and other Ministers and possibly have an audience with the Shah, before going onto Saudi Arabia.

He will return to London for the resumption of the parliamentary session on January 12 and is expected to visit other Arab States, the U.S and South America later this year.

BBC newsmen postpone one-day stoppages

BY ROY ROGERS, LABOUR CORRESPONDENT

JOURNALISTS employed on BBC news and current affairs programmes decided yesterday to postpone a threatened series of weekly one-day stoppages pending a meeting between management and officials of the National Union of Journalists.

A meeting of chapel (office branch) officials was convened yesterday to consider what action should follow last Monday's successful 24-hour strike over demands for improved pay for working unsocial hours. But a decision to "hold off" industrial action at least until January 16 was made after NUJ officials heard that the BBC was prepared to reply to their claim earlier than expected.

The two sides met the Advisory, Conciliation and Arbitration Service on New Year's Eve and since then the BBC has offered to reply to the union's demand four days earlier than the January 20 date originally proposed.

Mr. Tim Fell, the NUJ's broadcasting organiser, said last night that in the light of the BBC's move, the chapel officials had postponed making their decision until after January 16, but he warned they were still prepared to take industrial action if the BBC does not meet the claim, which is for the present £400 a year top rate of unsocial hours payment to be extended to all 720 BBC journalists, the majority of whom are on a lower £234 rate.

Capel-Cure closes HK branch

FINANCIAL TIMES REPORTER

STOCKBROKERS Capel-Cure Myers has closed its Hong Kong branch. Clients with interests in that market will now have their accounts serviced by the main London office.

The branch, which was opened by Myers before it merged with Capel-Cure in October 1974, employed only five people, three of whom were secretarial. Myers' office in Sydney was closed some time ago.

This latest move apparently reflects the Capel-Cure Myers view that, while the Hong Kong office was not unprofitable, the investment climate is likely to remain both cyclical and unexciting.

U.K. Provident ends surrender guarantee

BY ERIC SHORT

THE UNITED KINGDOM Provident, a British life company, has announced that it will no longer guarantee surrender values on its new life policies from January 1.

The surrender value on a traditional life contract is the amount that the company is prepared to pay investors who cash their policy before maturity. Life company actuaries in general periodically adjust their basis of surrender calculation to allow for interest rates and expense levels. There was a wholesale marking down of surrender values in the wake of the 1974 rise in interest rates.

Because of this linking of surrender values to current interest rates, U.K. actuaries have been reluctant to guarantee surrender values for all life contracts. Until now, the U.K. Provident was the only British life company to do this and print the guaranteed value on the policy document, although all the Canadian life companies guarantee surrender values as a matter of course for their U.K. business.

U.K. Provident says it has not changed its basis of calculation for surrender values and the position of all existing business is unaltered, but has followed other life companies in not giving a general guarantee.

Many life companies, in recent years, have marketed a flexible endowment policy which in effect does guarantee surrender values after 10 years. But life company actuaries have adopted very cautious assumptions in their calculations for these contracts.

Record £2.5bn. capital issues

By Our City Staff

GROSS U.K. capital issues totalled a record £2.537bn. in 1975 compared with £849.2m. in 1974 and the previous record of £1.6749bn. in 1972, according to the Bank of England yesterday. Of this total, listed public companies accounted for a net £1.402bn.

A breakdown of borrowing by listed U.K. public companies shows that insurance companies raised £238m., banks £53.9m., and special finance agencies £86.3m. Industrial and commercial companies raised £1.0249bn., of which manufacturing industry accounted for £686m., property companies £72.3m., distributive trades £62.7m., and public utilities, transport and communications £55.5m.

Burton land as supermarket

BURTON GROUP is seeking planning consent to sell ground used as sports pitches on its Hudson Road, Leeds, site for a supermarket development.

It is also asking for permission to let an office at present restricted to Burton use.

Both moves are designed to improve profitability at the 42-acre site which includes a production plant, once the largest clothing unit in Europe. This is now reduced to 200,000 square feet, but last year the menswear manufacturing side showed continued losses of £704,000.

The supermarket scheme would, with planning consent, involve Burton selling a six-acre site to the Leeds Industrial Co-operative Society to build a 50,000 square feet supermarket.

In a separate application, Burton is seeking to remove a clause restricting occupation of an 82,000 square feet office block to its own staff.

If it obtains this consent, it will move 400 staff from the block into part of the factory space vacated through productivity increases.

London seen as arbitration centre

BY A. H. HERMANN

A NEW DRIVE to promote London as a centre for international arbitration was promised by the London Chamber of Commerce and Industry yesterday. It is connected with the takeover of the London Court of Arbitration by the Institute of Arbitrators.

The operation of the court and of the institute will be in the future supervised by a joint committee of management, with equal representation of the City of London Corporation, the institute, and the Chamber.

The court, established originally in 1892, contributes to the joint venture mainly its name and the respect it enjoys at home and overseas—recently it has been handling only about 50 arbitrations annually. By contrast, the institute, founded in 1915, dealt with about 2,000 disputes in the past year.

To help further expansion, it has been agreed to simplify the rules of the court, and to strengthen links with specialist arbitration bodies such as the London Maritime Arbitrators and Commodity Associations. The main task of the court should be the promotion of "London Arbitration," and it should be helped in this by a new information centre covering matters of arbitration and conciliation at home and overseas.

The Institute is taking over the entire financial and administrative side of the court's business, and the secretary of the Institute of Arbitrators will in the future act as secretary to the court and be responsible for the implementation of its decisions where appropriate. The court will have no staff and no banking account of its own.

The new composition of the court will be six representatives each from the Corporation of London, the London Chamber of Commerce and the Institute of Arbitrators. The chairmanship will rotate between the three bodies annually.

Mr. Leslie Prince, a Common Councilman in the City has been appointed chairman, with Mr. B. W. Vigrass, as registrar.

Other Home News on Page 21

قضايا الأعمال

FINANCIAL TIMES SURVEY

Saturday January 3 1976

PORTFOLIO PLANNING

The increasingly harsh economic climate of the past few years has obliged the investor to lower his sights considerably, and to aim at capital security rather than growth. This Survey outlines the main avenues for the smaller investor, and the risks and rewards involved.

Caution the watchword in today's markets

By Barry Riley

UNCERTAINTY IS a state of mind that few save natural gamblers enjoy, but it is something all of us have increasingly had to come to terms with. Nowhere is this more true than in the field of investment. One by one the cherished assumptions of the saver have been well and truly shattered.

The notion that gilt-edged securities were safe has been dispelled by the way that War Loan, for instance, has lost over 95 per cent. of its real value—that is, purchasing power—since 1947. The proposition that equities provided protection against inflation grew shaky by 1970 and finally lost all credibility in the savage bear market of 1974.

The idea that property values could only go up—they weren't making land any more, you remember—was also removed from the fund of investment folklore by the financial shake-out of 1973 and 1974.

More recent fashionable beliefs among investors have bitten the dust even more quickly. A year ago, for instance, the trendy advice was to pad out your portfolio with cans of baked beans and Krugerrands. Alas, you would have done a lot better to go into boring old gilts or equities—especially the latter, which on average more than doubled in 1975.

And a year ago you might often have been advised to put your money in some overseas fund, nicely isolated from rampant U.K. inflation, and leaving you well placed to profit from the dismal slide of the pound sterling. Wrong again. No overseas stock market has come anywhere near rivalling the performance of U.K. equities, even after taking currency factors into account.

What pretty well every investor now knows, usually to his cost, is that when it comes to investment the risks have been sharply raised and the rewards have usually been heavily reduced.

Mostly it goes back to inflation, which greatly increases the fluctuations in every market turning everybody into a speculator. And beneath the general volatility runs a longer term redistributive trend, which has sharply reduced the shares of profits, dividends and interest in the national income. This is the underlying malaise of the capital markets.

In the fifties and sixties the aim of portfolio management was often to seek capital growth, by participating through shares or property ownership in the expansion of the economy. But such a policy depends upon a buoyant trend of profits, and upon the assumption that the benefit of such higher earnings will filter through to shareholders.

In recent years these assumptions have not been justified. Not only have profits been held back by economic failures and by price controls; dividends too have been under continual restraint.

Meanwhile the alternative investment opportunities in the field of fixed interest have been equally hard hit by accelerating inflation. During 1975 real rates of interest became heavily negative, and only at the long end of the gilt-edged market is there any strong hope that interest, even before tax, will be enough during 1976 to offset the ravages of currency depreciation.

Perhaps the greatest paradox of 1975 has been that in the face of all these disincentives people have been saving on a greater scale than ever before. In the 1960s savings hovered consistently at around 8 per cent. of personal disposable income. Since then the ratio has climbed steadily, reaching over 14 per cent. in the first quarter of 1975, since when it may have eased back a little.

Cash has gone pouring into building societies at the rate of around £4bn. a year, and into long-term insurance contracts at an annual rate of some £1.5bn. Pension funds are collecting cash at not far short of £2bn. a year.

But the public has become wary of direct investment in the stock market. For many years private individuals have been heavy net sellers of company securities, at something over £1bn. a year, a trend which continues unchecked. And although people are still net buyers of unit trusts, the number of unit holdings has tended to shrink a little.

Looking at the population as a whole, it is clear that people have been biased towards liquidity and safety—or what they assume is safety, as embodied in the long-term savings institutions.

And indeed all portfolio planning starts from the basis of an initial spread of wealth and financial provisions—a house, adequate liquid funds, various forms of basic life cover, and provisions for a pension. One major problem of inflation is that any surplus assets may be more and more needed simply to top up these basic requirements.

So in general, people adopt some kind of contractual scheme to handle their savings during most periods of their working life, and portfolio planning becomes more relevant at times when lump sums become available.

For the luckier few this may be a question of inheritance quite early in life. More typically, it arises towards retirement age, when endowment policies may be maturing, when pension rights may be partly taken in the form of a lump sum, and when moves to smaller houses and cheaper districts may be shaking out surplus capital.

The investor in such a position then faces the problem that not only is portfolio planning a difficult area, but it is also an unfamiliar one. His range of choice, moreover, grows ever wider.

Investment opportunities now widely promoted include property bonds, commodity funds, income bonds, fine art funds, gold coins, overseas villas—and index-linked National Savings schemes. Meantime, unit trusts offer ever greater specialisation, and of course direct investment on the stock market opens up the whole world to the investor.

There is no shortage of potential advice. Apart from local professionals like accountants, insurance brokers and solicitors, many banks have established financial planning operations. Then there is a variety of independent money managers and, of course, the stockbroking fraternity.

Professional advice has been made progressively more necessary by the way questions of taxation loom so large in any management of personal wealth to-day. The independent saver has little chance on his own of hacking his way successfully through the jungle of investment income surcharges, capital gains tax, capital transfer tax and, perhaps one day soon, wealth tax.

Yet it must be said that the quality of advice does vary; indeed, all "experts"—including financial journalists—have had their expertise devalued by the unpredictability of recent events. Many advisers speak with an element of vested interest—stockbrokers may be biased towards equities, for example, and insurance brokers towards life policies. The wise investor will still want to have some say in how his affairs are being handled.

The basic portfolio planning decision that the investor must make is the level of risk which he is willing to accept. In times of inflation all investments are risky, but at least it is possible to balance some of those risks within a portfolio.

One class of asset is linked to money—long-dated gilts, for instance. They could become almost worthless if inflation rages for long, but if inflation is wiped out there may be no better investment—for in those conditions 2½ per cent. Consols, now at under £17 per cent., could move back to £100, and dated stocks with 12 or 13 per cent. coupons could soar to something like twice their par value.

Another type of asset is linked, or so the investor hopes, to real assets. The connection may be fairly tenuous, as with Ordinary shares, but is reinforced by the possibility of income, and by political acceptability. The more direct forms of "real" investment, as in gold coins and fine art, are purely speculative in nature. They offer protection from hyperinflation but holders get no income and are liable at any time to arbitrary political measures. Values are likely to show extremely large fluctuations.

The other possibility is to stay liquid, although at most times this will involve an after-tax income well below the rate of inflation. In this sense there is a real penalty to be paid for liquidity, as well as the risk that it will be difficult to get right the timing of switching in and out of longer term assets. A lot of institutional fund managers found this out to their cost during 1974 and early 1975.

Those savers looking for the very lowest risk of all will be attracted to the National Savings index-linked schemes. The only danger here, perhaps, is that the Government is constantly tempted to fiddle with the retail price index. But the retirement and SAYE schemes are both very limited in scope. And it says remarkably little for the other available portfolio possibilities that schemes which offer little or no real return to the saver should seem attractive.

Even with this year's recovery in share prices the stock market remains a difficult area of investment. Memories of the long bear market are a restraint.

The stock market

ONE OF the trends noted by the recent Royal Commission on the distribution of Wealth and Income was the movement over the past ten years from individual share ownership towards ownership by institutions, particularly pension funds and insurance companies. Statistics are thin but one is sufficient to *pinpoint the swing* — between 1963 and 1973 the proportion of quoted ordinary shares held by individuals declined from 59 to 42 per cent.

Moreover, this proportion is likely to have diminished even further recently for the 1974 bear market seemed to drive individual investors even more into "share exchange" schemes and the like — the sentiment being that it was easier, cheaper and *sometimes more tax* efficient to let someone else cope with the problems of the equity market.

The arguments against the investor going it alone tend to be very powerful unless he makes the stock market his hobby, scans the newspapers and stock markets reports and generally does his homework. But even the homework is not quite enough to be a successful investor. One needs to have the right temperament and to be able to combine judgment and nerve.

Assuming one has these ingredients—and people who make a successful hobby of investing are often to be found—one is likely to do better than a fund which is inevitably circumscribed by the weight it can give *to individual investments if not by its size. For example, an indi*vidual investor who got the warrant market right at the beginning of 1975 would have done much better than most professional funds which find it difficult to operate in such narrow markets even if the managers had felt like taking the risks.

Of course most individual investors are not up to trading their stocks actively and the Wealth and Income Commission also pointed out that they generally do not react to short-term fluctuations, estimating that an average of 40 per cent. of investors who bought shares in a sample of newly quoted companies were still holding them 12 years later. Life has also become complicated by the technicalities of Capital Gains Tax *and more recently invest*ing overseas—which is all but impossible for the individual if he wishes to take the dollar loan route.

Clutch

But where does he go to have his portfolio managed if he does not wish to sell out completely and put his money in a clutch of unit trusts, investment trusts, etc? There are always the merchant banks, but these are really only for the comparatively wealthy since the acceptable minimum portfolio is usually £100,000 and in some cases is a lot higher. Then there are clearing banks which have substantial private client departments but are now strongly *predisposed in favour of pointing the smaller* portfolio in the direction of the inhouse unit trusts.

In addition there are large numbers of private portfolio managers and counsellors who can frequently offer the client a more flexible service (including tax planning) than their larger competitors. But the *problem with this* area is that it is very difficult to sort out who is competent and honest from those who may be the opposite. The investor who favours a small counselling firm on the basis of securing a more *personal approach should* at least make sure that the money is held by a custodian bank.

However, when most people think about going it alone, or dislike the idea of going into a unit trust or trusts, the natural course seems to lie with a firm of stockbrokers. In recent years the London brokers especially *have developed the reputation* of being less than interested in private clients because of the higher profitability of institutional clients. But a recent survey on stockbrokers' efforts on behalf of private clients—completed by Money Management magazine—shows that this reputation is by no means the com*plete picture. MM sent* over 200 questionnaires out and, while over 60 firms said that they were interested in new private clients, only a few of the big London brokers had no interest at all.

Two very useful *tables* showing the services that London and regional brokers offer indicate that it is still possible to have an advisory account with a stockbroker for as little as £5,000 minimum portfolio though the average amount accepted is probably more like £20,000. In the regions it is quite usual for the minimum to be £5,000 or less and indeed the regional brokers seem particularly keen on private clients *which they find cheaper to ser*vice than their London counterparts.

Split

The main split is between advisory accounts (where the client retains the initiative) and discretionary accounts (where *the responsibility is passed over* to the broker). Most brokers are prepared to do both but there seems to be a general trend towards preferring discretionary management—with notable exceptions.

As for the costs of having money managed by a stockbroker, they have traditionally earned their money from commission payments but some are starting to charge fees if the *client's portfolio* does not generate a predetermined sum in commission. This seems fair because at least the stockbroker then has complete freedom to go liquid if he thinks that it is what is required. One of the accusations (much resented), levelled at stockbrokers as portfolio managers is that they *churn the portfolio to generate* commission.

The advantages of private portfolio management is that the service is—in theory at least—more personal, and the client ought to do better than a fund because the amounts involved are easier to manage and his investment policy can be more flexible. But there has been a *strong trend towards* ready-made investment vehicles like unit trusts, investment trusts, property bonds, etc., over the years and even the stockbrokers themselves have set up these vehicles for their private clients.

The use of these vehicles has become more sophisticated, however. Banks and brokers no longer talk glibly about the importance of getting the uneconomic portfolio into the unit trust and there is now more emphasis placed on using unit *trusts as suitable* vehicles for "part of one's portfolio" rather than the whole. This is particularly the case with overseas interests and Schlesingers, for example, has concentrated on getting brokers to put part *of their clients'* money into the group's overseas "PIMS" schemes. The latter are indicative of the tendency in the fund business to trade *up the products to appeal to the* sophisticated investor who wants to retain the personal touch in a managed fund.

Currently there is also the possibility of investing in commodities via unit funds run from offshore centres along unit trust lines. Although these are designed with professional investors in mind and are not allowed to advertise in the U.K. they are nevertheless *open to the individual investor*. In fact, looking at the whole spectrum of fund vehicles available to the investor, there is something to satisfy almost every taste, not to mention the possibility of forming a portfolio of funds *which* can be altered according to market conditions. This leaves the investor to decide on the timing of his investments rather than choosing individual shares.

Christopher Hill

Changes in the tax structure present individual investors with increasing problems. Even the experts find the going hard.

Coping with tax

THE ARGUMENTS in favour of seeking professional advice on a personal financial planning level have never been more compelling. Over the past two or three years the financial establishment has been badly shaken by sharp setbacks in property and share values. And even though the latter have recovered during the past 12 months, the FT Industrial Ordinary Index is still one-third below the peak it reached in 1972. As for property, any improvement is likely to be even slower in coming through, particularly outside the prime *property bracket.*

Further confusion and panic have been generated by the changes in the taxation system which have been so constructed as to hit the investor and saver especially hard. The *introduction of* Capital Transfer Tax, to replace the old estate duty, has gathered a wide number of people into the net and has rendered some of the most carefully laid plans to preserve capital totally useless.

For example, those wealthy enough in the past to have bought agricultural land and/or *woodlands*, both of which enjoyed certain benefits under estate duty laws have been badly hit. Those advantages have now been withdrawn and to make matters worse, investors have been left with a poor investment to boot. The one brief piece of good news for the wealthy has been the temporary shelving of the Wealth Tax — presumably CTT is punishment enough for the time being.

It has taken even the most seasoned tax experts some time to come to terms with CTT. The tax *is* watertight and all-embracing: all one can do is to take maximum advantage of the various allowances and exemptions and try to fund the rest through one means or another. No one, as yet, has been able to come up with a clever tax avoidance device to lessen the CTT burden.

Nevertheless, it is necessary to do something—to do nothing at all is to play into the taxman's hands completely. For example, one must take *maximum* advantage of the £1,000 that can be given away per annum, free of tax. It is possible to illustrate the effects of three choices.

Choice

Assuming that the donor in question pays tax at 60 per cent., £1,000 a year, if not given away, becomes £400 a year. *Over 25 years the worth of* that possible £25,000 is a mere £10,000. A second choice is to give away just £1,000 a year and leave it at that; thus, over the same 25 years the accumulated worth will be a straight *£25,000.*

In both examples, no account is taken for the effects *of inflation*. The third *choice* is to take out a life policy with the same £1,000 paying the premium; at present bonus rates this method could generate a sum of £60,000.

According to the professional advisers the effects of CTT are only just beginning to dawn on the average person—not just the wealthy but anyone with a normal house; car, family set-up. The wealthy, anyway, have always been able to look after their investments, or to pay someone else to do it. It is *those in the middle bracket*, who have had to face increased costs, increased taxes, an erosion of their investments, a freezing of *dividends* and probably *have* not participated in the wages boom, that have been suffering. And this has prompted a good number to seek professional advice.

It is now apparent that investment advice cannot be divorced from tax planning considerations, or vice versa. It is necessary, in current circumstances, to formulate a complete plan which is tailored to meet the specific requirements of each family. The most common problem evidently has been to maintain spendable income, without eating into hard-earned capital. Naturally this is an especially serious problem for widows. Quite *frequently*, independent advice on tax matters can nullify sound investment advice — and vice versa.

Advice

So where can the small to medium-sized investor go for *his advice? Merchant banks* have traditionally been too expensive; stockbrokers, too, in much the same way as the insurance broker, have only been able to offer a specialist form of advice: and the clearing *banker has only been able to* offer those services that are available through the bank in question.

The merchant banks are now tending to look further down the wealth scale. Hill Samuel, for example, offers the normal private client service only for those with assets of £100,000 and above. Other *merchant* banks start at an even higher peak—some at £250,000, others as high as £500,000. But a service has also been introduced by HS for those with between £20,000 and £100,000 in capital.

Like other merchant banks, Hill Samuel has unit trust and life assurance subsidiaries, and it is possible to provide a good personal service through using all the existing facilities for both investment and administration.

Below the £100,000 level, Hill Samuel will, for example, put *between 30-50 per cent. of port*folio funds into unit trusts. From the £100,000 mark and above, the service is likely to incorporate individual equities with possibly a more bespoke service. Nevertheless, on both scales it is possible to offer advice on life assurance, pensions, taxation and investment, and also provide general administration services. The clients' requirements—whether income or capital growth, or combination of either—can still be accommodated.

Naturally, a service like Hill Samuel's cuts across the traditional professional barriers—*accountants* for taxation, solicitors for legal matters, stockbrokers for shares, etc. HS's approach is to work in accordance with those *already* involved and to come up with a generally accepted formula. In fact in to-day's volatile investment climate it is quite normal for Hill Samuel to be provided with clients from the other professional advisers for no bigger incentive other than that the investment affairs have become too much of a *headache* to manage.

One of the best growth areas at the moment concerns the employee of a foreign company working in London. Here international tax aspects come into account, as do the complications of foreign exchange regulations.

What has become clear is that taxation matters cannot be considered in isolation. It is necessary to assemble the best advice available to cover all aspects of a portfolio, and it is virtually impossible to generalise.

Keith Lewis

PORTFOLIO PLANNING III

Life assurance remains a most popular medium for savings. The life offices provide a growing range of facilities.

Life assurance

THE FIRST decision in the management of a portfolio concerns the choice of areas in which to invest. The next consideration is what investment media are available in those areas. Direct investment in equities and fixed-interest is always possible, but this could be expensive for the small and medium portfolios. Direct investment in property is out of the question for all but the largest individual investor.

One answer to this problem would be to invest in the contracts offered by the main financial institutions, in particular those marketed by unit trusts and life assurance companies. Investment in the units of a trust or in a life policy can provide a ready-made solution to the investment considerations as to how to invest in equities, in property or in fixed interest. In fact, holding such contracts can provide the answer to most of the problems of portfolio management.

Timing

The pursuit of a successful investment policy requires a skilful selection of holdings and accurate timing of both purchases and sales. The average investor has neither the means, nor the time nor generally the know-how to perform this sequence successfully. By turning to the financial institutions, the investor is securing expert management of the funds backing the trust or the life fund. He no longer has the tactical worries of which equities, which properties, which fixed-interest.

Authorised unit trusts can only invest in ordinary shares, though this can cover the whole equity spectrum, overseas as well as in the U.K. Life companies, however, can offer investors a much wider choice —property, fixed-interest and even cash as well as equity-based funds.

It is many decades since life companies first expanded their role beyond that of pure protection and entered the savings field—sometimes referred to as insurance against survival. The traditional with-profits endowment assurance policy has proved to be a popular savings contract over the years with small and medium investors.

The life assurance industry's involvement in savings really took off with the launch of equity bonds about a decade ago. These were lump sum investments with a very high percentage of the outlay being used to purchase units in the underlying fund. This development introduced four new features into the practice of life assurance.

Limit

The first was a marketing one, the active canvassing of lump sum life assurance contracts. Although single premium traditional policies have always been available, they were never actively sold and the life companies had up to then operated a voluntary limit of £1,000 from each investor in any 12-month period. The new unit-linked life companies that launched these bonds did not follow this practice and the limit has long been abandoned by all life companies.

The second feature represented a fundamental change in life company strategy. For when a policy value is linked to the units of a fund, it can fluctuate as the price of those units moves with market changes. Thus the investor, not the life company, accepts the ultimate investment risk. Under traditional with-profit endowment assurances, the maturity value is guaranteed to be the sum assured together with all the declared bonuses. Under linked contracts only the death sum is guaranteed in most cases.

This leads on to the third feature, the bonds are often open-ended contracts with no fixed maturity date. Traditional endowment assurances have such a date which has to be decided at outset. The lack of any investment guarantees means that a maturity date is not really necessary for a linked contract; the investor simply cashes in his units when he wants to realise his investment.

The final new feature incorporated into linked contracts was that of basing the fund on a particular investment media. Traditional life contracts have a fund covering the whole investment spectrum — fixed-interest, equities, property mortgages. The investment guarantee means that the fund requires a high proportion of fixed-interest stocks whose redemption dates match those of the maturities to a fairly close degree.

The first bonds sold were linked to an equity-based fund. This was followed after a few years by the property bond with the underlying fund investing directly in property. When it became apparent that this god among investments also had feet of clay and that property prices could fall and fall substantially, just like equities, the managed fund concept was introduced, primarily as a defensive measure. Here the fund was a three way mix of equities, property and fixed-interest on a unitised basis. Life assurance investment philosophy had turned a full circle.

Finally, when even this blend proved unable to stand up to the great bear market of 1974, with the values of all three areas falling substantially, the virtues of cash were rediscovered and the cash or money bond was launched to enable investors to remain liquid while awaiting a market recovery. Thus by a process of evolution, some companies in the life assurance industry can now offer investors a complete range of ready made investment media — equities, property, fixed-interest and cash, all expertly managed. All that is left for the investor to decide is which type of bond, probably the most important decision in portfolio management.

Volatile

The events of the past decade have shown investors just how important is timing in portfolio management. All markets—equity, property and fixed-interest—have definite trends up and down, with some much more volatile than others. It is important to decide which investment area to enter and it is possibly even more important to decide when to get out. To maximise the return on his portfolio, the investor needs a high degree of flexibility in his holdings.

Certain life companies have helped investors in this process by offering flexible contracts under which the underlying funds can be switched on favourable terms at minimal charge. The Hambro Flexible Bond is linked to four funds—equity, property, managed and cash, while Save and Prosper's contract can be switched between 24 funds, some of them based on overseas equities.

But life companies do not advise bondholders when to switch, indeed it should not be their function to offer such advice. This should come from those doing the financial planning. The insurance brokers are being drawn into this field, a natural consequence of selling bonds, although they obviously do not broadcast their advice to the world at large. One small firm of brokers, the Northampton based Anglia Insurance Brokers, has recently made available details of its advisory service based on the Hambro Flexible Bond. AIB advises clients by post when it considers it desirable to change holdings in the bond. Its record to date from inception is 60 per cent. good and it has outperformed each of the separate Hambro funds.

Flexible

The primary aim of marketing such bonds has been to preserve and increase the investor's capital. He can best do this by being flexible in his holdings. But for those investors requiring income, he can use these bonds and their withdrawal facilities. The 1975 Finance Act allows investors to cash-in up to 5 per cent. of their holdings tax-free, for a maximum period of 20 years. Higher-rate taxpayers would, however, have adjustments made at the time of the final cash-in.

But the main savings purpose of life assurance is still that of providing vehicles for the steady accumulation of capital from regular savings, either traditional or unit-linked. This form of savings possesses two big advantages over all other forms —the tax relief available on the premiums (unique to life assurance) and the high level of death cover. This main purpose of life assurance should never be overlooked in any portfolio planning.

Eric Short

Professional management and advice are available from numerous sources. A key factor is the size of the portfolio.

Specialist managers

PERSONALISED investment comes in a variety of guises, but the industry can be broken down into four major areas of operation. For most of us, merchant banks and stockbrokers are the immediate points of mental contact whenever private portfolio management is mentioned. But the clearing banks have now carved themselves a substantial niche in this field and so too have a myriad of small (and some not so small) specialist companies.

In each case the services offered are extremely flexible and can be tailored to suit the needs of the individual. But they do have a common denominator in that the sums of money handled would usually be described as "sizeable." Thus at the top end of the private portfolio business most merchant banks will not take on amounts of less than £100,000 while the average private portfolio—if such a thing could be gauged—would probably emerge at over £20,000. Most specialist firms will manage funds of less than £20,000 and so will some clearing banks.

Clearers

In recent years each of the four clearers has created trust departments employing investment managers. All four stress that their conditions of service are very flexible with clients advised to follow a course of full investment discretion but at the same time not barred from taking a relatively active part in the management of their portfolios. By and large the service operated by the clearers is much the same from one bank to another; their costs structure is not quite so standardised.

At Barclays and NatWest the charge for personalised investment is £3 for every £1,000 invested. The other two banks straddle that with Lloyds charging £5 and the Midland £2.50. The banks stress that there are no rigid limits to the amounts of money they will take under their wing but from the way the investment fees are slanted it is fairly clear that Barclays, Lloyds and NatWest are not especially keen to take on sums of less than £20,000. Below that sort of figure costs tend to become uncompetitive. The Midland will take on portfolios as low as, say, £10,000.

Costly

Private-client business among the merchant banks has never been easy to get to grips with. Quite a few banks will not take on portfolios of less than £1m, on the grounds that lower sums are too costly to operate. Yet in recent years there has been a noticeable trend among some merchant banks to trade down. The formation of unit trust and life assurance subsidiaries which, almost by definition, appeal to the mass market rather than the wealthy client, are the best examples of this. And some banks have made clear attempts to bridge the gap between the top and bottom ends of the personal investment market.

The Personal Financial Service created by Hill Samuel is an example of this trend. The Hill Samuel service is aimed at portfolios of between £20,000 and £100,000; they will include a fairly high unit trust content. For portfolios of between £20,000 and £50,000 the fund element would be as high as 50 per cent., reducing for sums above £50,000. This use of unit trusts reduces the overhead costs and allows the bank to implement a personalised service. Fees are split into two parts (a) administration at £100 per annum or £150 for non-discretionary management and (b) an investment management fee which is only charged on the straight equity non-unit-trust portion.

Outside the City establishment it is possible to find some form of personal investment service for very limited amounts of cash—sometimes as low as £500. The level of service can vary strikingly, and for the small portfolio the competitive pressures from the unit trust industry are intense. But many specialist firms work from a low-cost base, charge very competitive fees and have solid performance records.

The initial points of contact for the investor will invariably begin with a meeting with the investment manager. In the course of these initial discussions, managers will often discover a lack of overall financial planning. They will either undertake a reconstruction job themselves or effect introductions to other professionals. The aim is to emerge with a clear-cut investment policy tailored to the needs of the individual. At this meeting a decision will also be taken on the degree of management discretion—if it ever arises for many investment companies find it impossible to operate on any basis other than full portfolio control.

Informal

Some investment groups demand an introduction fee but normally these early informal discussions are simply all part of the service. Elsewhere, the administrative aspects of the private client industry are very wide ranging. Some companies have arrangements with clearing banks whereby all shares are registered in nominee names, and special accounts opened at the bank in question for the appropriate client. Other companies will register all shares in a client's own name. Usually the client will sign a letter of intent giving the managers the power to order the bank to accept instructions with regard to cash and securities.

Such a custodian arrangement would normally be preferred by a client; it is an extra safeguard and it involves the least amount of paperwork. As for the discretionary investment authority of a manager, this would ordinarily be limited to transactions involving shares.

Reports

With most investment services it is never easy to pin-point the actual amount of "personal" work involved in a client/manager relationship. The starting point is clearly the periodic progress reports that the investor will receive. The normal procedure for the clearing banks is quarterly reviews, while the Hill Samuel Personal Financial Service provides quarterly statements and issues clients with half-yearly valuations and all contract notes. Stockbrokers tend to value portfolios less frequently than most in the industry, and written communication tends to be the exception rather than the rule.

Some investment companies value fairly often; and in practice most investment companies will be prepared to provide valuations at monthly intervals, though at an extra charge. Broadly, an investment company's standard half-yearly or quarterly valuation will include a full account of dealings undertaken, an analysis of the portfolio, a running total of capital gains (or losses) and a statement of income. In addition, some companies send out copy contract notes each time they deal.

Jeffrey Brown

PORTFOLIO PLANNING IV

Although property has lost much of its glamour as an investment medium, the fall in values may be creating opportunities. There are a number of approaches, the advantages of which are discussed here in relation to security and prospects.

The property scene

PROPERTY'S reputation as one of the surest inflation hedges has taken a severe drubbing during the past two years. The end of the 1971-73 boom produced several well-publicised casualties, as well as a sharp fall in values—amounting to between a third and a half in parts of the City of London—in contrast to the apparent previous belief that prices would continue to rise almost inevitably.

The worst now seems to be over, however, and there has been a definite improvement in confidence over the past 12 months—caused by the end of business rent controls and the fall in interest rates at the beginning of 1975. This has been reflected in a partial revival of activity in the property investment market and a fall in yields for at least top-quality properties let at current rents.

It is still difficult to find buyers for larger properties (though the threshold has been rising in recent months), for developments, for buildings with a large reversionary potential and those in secondary positions. Moreover, while yields have been improving, the other side of the valuation equation has been less favourable. The recession has resulted in a weakening letting market and static or falling rents—most noticeably in the City of London where a figure of £15 a squa e foot is considered now the general maximum for good office space compared with over £20 a square foot for top-quality space only 18 months to two years ago.

The result of these contrasting influences is that the overall recovery in the market is likely to be slower and more gradual than was hoped at the beginning of 1975 with some areas remaining weak for quite a time. And this inevitably conditions both the choice and degree of commitment to any investment in the property sector.

The changes in mood are shown very clearly in the property section of the stock market. The sector index rose from a low of 88 to over 241 in the first three and a half months of 1975—easily outperforming the market as a whole. But since the end of April the sector has lagged well behind as it has become clear that the problems of the highly geared companies will not disappear as quickly as hoped and that there is not going to be any dramatic turnround in the profit and loss accounts of most groups.

Arguing

So the sector index has dropped by nearly a third from its peak and its overall performance is worse than the All-Share over the past 12 months as a whole. But a number of commentators are now arguing that property shares should perform better relative to the market as a whole over the next year—especially as the worst of the results have probably now been announced.

There is certainly obvious potential—particularly among the shares of the more highly geared companies such as Town and City, and Amalgamated Investment. But the sector is still only really for the selective investor since property shares seem certain to remain volatile—responding to changes of sentiment. Moreover, the future of some smaller companies is still in doubt and it will be a long time before a number of other groups earn adequate profits or pay a proper dividend.

And even with the solidly placed and lowly geared groups, there is no general agreement either on valuation of properties or the criteria for rating shares. There are not only doubts about the relative discount to asset value, but also about the worth of any particular statement of asset value, given the patchy character of the property market at present. So any investment should be cautious and may need to be continually reassessed.

The other main way for the ordinary investor to have a stake in commercial property is via a property bond. These are, of course, not affected by the fluctuations in stock market sentiment, but are more directly influenced by changes in investment yields and rents. And although bonds, without either the advantages or disadvantages of gearing, have produced a much less volatile performance than property shares, the funds have had their own problems during the past couple of years.

Indeed, 1975 was a period of consolidation for many funds after the traumas of the previous year when many managers had to face the implications of a steady cash flow drain through redemptions. Bondholders also then had to live with a sharp fall in unit prices—amounting to 38 per cent. during 1974 for Abbey Life—even though many may have believed, along with large sections of the property world during 1972-73, that values could only go on rising.

The position stabilised during the first few months of 1975 as the slow revival in the investment market halted the decline in unit prices and also reversed the outflow of funds. For example by September Abbey Life was able to report a monthly inflow on single premium business of £2m. to £3m. (plus £1½m. on regular premiums) compared with a maximum outflow of £6m. at the worst period of 1974. And there has been a broadly similar trend in most of the other major bonds.

The average unit price touched bottom right at the beginning of 1975. According to the *Money Management and Unitholder* magazine weighted property bond index of the 10 largest funds (with income reinvested and January, 1973=100) the peak was 116.5 in January 1974 followed a year later by a low of 87.1. Since then there has been a slow recovery to a figure of 98.1 at the start of last month—and, of course, the extent of the decline in underlying property values over the last two and three years is hidden by the reinvestment of rental income and by the cushioning effect of the sizeable cash holdings of many funds.

Range

This weighted index includes a wide variety of relative performances from a gain of 11 per cent. to a drop of 42 per cent. since early 1973 though the spread is rather narrower for the bigger funds. Indeed, one of the lessons of the past two years is that, unlike other investment vehicles, smallness is not necessarily best in property bonds. Larger funds have the flexibility to pick a wide range of property and not be over-dependent on the fortunes of any particular building or type of holding. A number of funds have put too much of their assets in one property—the most well-known example being Tyndall with Piercy House in the City, which at one time in 1974 accounted for over three-fifths of its whole portfolio.

Both this point and the dangers of becoming involved in wholly speculative development were underlined by the Nation Life episode—though many funds have only carried out development jointly with property companies and on the basis of rental guarantees. But as in the property world as a whole there is now a reluctance to undertake new schemes—or to become involved in new schemes on the Continent.

After the stabilisation of the last 12 months, the present might appear to be a good time to buy a property bond—especially as the current halt on new development could produce another sharp rise in rents by the late 1970s or early 1980s according to the industry's conventional wisdom. But before then there is the prospect of a weak letting market for at least the next year to 18 months with falling rents — especially for central London offices—though so far this has not prevented a drop in investment yields (and consequent rises in values).

It is probably best to look at funds of over a certain minimum size — say £3m. — with a wide spread of investments, no undue concentration on any particular sector or on development, and with a fair liquidity margin. This offers the prospect of a solid, if not spectacular performance, though rewards, and risks, may be greater with certain smaller funds, where the sale or revaluation of an individual property can make such a large difference.

Peter Riddell

Cash and the flexibility it can give are being given increasing emphasis. Equally, fixed interest stocks offer opportunities.

Cash and fixed interest

WHILE the equity market has enjoyed a remarkbale recovery this year there remains a strong demand for fixed interest securities with investors seeking a good level of income as a means of protecting capital values in the face of high inflation. Indeed demand for gilts in 1975 has been staggering. It was generally felt that 1971 was something special with sales totalling some £3.36bn. but in the first nine months of this year the figure had already reached more than £3bn. with a full year's total expected to be over £4bn.

The Government has clearly taken advantage of this strong demand with a number of new issues evident this year. The pressures of this type of selling naturally took its toll on prices of gilt edged securities following the sharp recovery seen in the early part of the year.

Yields at the long end of the market had at one stage fallen from about 18 per cent. to around 13 per cent. but by the autumn they had risen to 15 per cent. Having started the year at 49.80 the Financial Times Government Securities Index hit a peak of 62.34 in March but it has since slipped back to the upper 50's.

However as a result of these relentless selling pressures Gilts are now looking particularly attractive in relation to the yields on both equities and corporate fixed borrowing. The reverse yield gap—the difference between the yield on Consols and equities—has widened to about 9 per cent. while the yield differential with debentures has in some cases narrowed to about 50p per cent.

There are, of course, one or two factors which should be taken into consideration before investing in gilt edged securities. The Government's borrowing requirements are clearly going to have a strong bearing on price movements while there remains a certain amount of speculation about the course of interest rates.

However, if the investor feels this is the right time to take the plunge there are a number of vehicles that should fit most needs. The high tax payer, who is taxed on income, would naturally seek a low coupon stock with a reasonable scope for capital appreciation, since gilts are not subject to capital gains tax if held for more than one year. Low coupon stocks are less plentiful these day's but two such stocks that offer a very low running yield but a considerably higher redemption yield are Treasury 3 per cent. 1977 and Treasury 3 per cent. 1979.

Appeal

Whilst discussing the situation that would appeal to a high tax payer it is worth pointing out an interesting method of bumping up the return on the original investment. If a stock, other than those with lives of up to five years ("shorts") is bought special ex—which in effect means in the three weeks before the stock actually goes ex-dividend—and held for one year and one day (thereby avoiding capital gains tax) only one dividend has been received while the dividend that had accrued at that time of the sale is deemed as capital and such is tax free.

On the other hand the small investor would be seeking a high running yield with the minimum of risk to capital values. High coupon stocks with a life of not more than 15 years would be the call of the day here.

Treasury 9¼ per cent. 1980 is standing at a reasonable discount with a running yield of 10.3 per cent. while a slightly longer date such as Treasury 11½ per cent. 1981 is giving a yield of 11.66 per cent. A 15-year stock like Treasury 8½ per cent. 1987-90 is yielding over 12 per cent.

While it is possible to obtain higher running yields in the long dated and undated stocks it does mean that the investor's capital would be locked in for a greater length of time in the event of a sudden rise in interest rates.

Selection

Many small investors may find that the sum that they have available to invest in gilts is so small that it would be uneconomical to deal through a broker. In which case it might be worth pointing out that a reasonable selection of stocks are available from the Post Office. Commission rates here are much lower than those of a broker while at the same time interest is paid gross, which saves the nil tax payer the problem of claiming back tax.

In the past it was always possible to get an even higher return on an investment, admittedly with a greater risk, from Corporate fixed interest stocks such as debentures and unsecured loan stocks. However, events over the past six months has left corporate stocks relatively unattractive against gilts. The sudden upsurge in prices has stemmed from the now common practice of companies either buying in their own stocks, thereby supporting the market, or actually making an early redemption, often several points above the market price.

This factor together with some useful repayment following companies being forced into liquidation has led to an unprecedented level of activity in the fixed interest market. Yields of top line debentures have been forced down to within 50p per cent. over the comparable gilt compared with a figure approaching £1.60 per cent. a year ago.

In the circumstances it may be wise to leave this sector to the professionals, particularly in the short term, although there is some case for an investment in convertibles. There are a number of convertibles that are now giving a useful return over the equity while at the same time the conversion premium has been reduced to a minimum. As such it could prove a worthwhile exercise to switch out of the ordinary into the convertible. Any further rise in the ordinary would be reflected in the convertible price while the yield factor does offer protection in the event of some shake out in the equity market.

By and large the investment avenues already discussed tend to result in capital being locked in for a reasonable length of time and with the fall in equity prices and the sharp rise in interest rates that took place a couple of years ago still fresh in the mind it is not surprising that many are anxious not to get caught again. It is probably for this reason that the local authority yearly bonds have proved so popular. A batch of these are issued each week and the current rate of interest is 11¾ per cent. against a 1975 peak of 13¾ per cent.

To spread the risk even further there are a number of high-yield funds available to the private individual and returns here can range from 12 to 13 per cent. The range of investment vehicles is therefore clearly wide and there remain a number of interesting possibilities to suit most types of investor.

David Wright

مكتبة الأمل

OVERSEAS NEWS

Brazil and S. Africa sail into storm

By Graham Hatton

JOHANNESBURG, Jan. 2.

SOUTH AFRICA has recalled its ambassador to Brazil in response to that country's refusal to grant docking facilities to yachts in the scheduled Cape-to-Rio race. The 148 yachts were due to start from Cape Town in eight days' time.

The Minister for Foreign Affairs, Dr. Hilgard Muller, said to-day that the report of Brazil's refusal to grant docking facilities was "very disturbing" and it had thus been decided immediately to recall the South African ambassador "for consultations."

Mr. Victor Norton, chairman of the Cape-to-Rio organising committee, said to-day that the committee had had no forewarning of Brazil's decision, either from the Brazilian or South African authorities. He said the committee would call a meeting of skippers as soon as possible. It was possible that an alternative race would be arranged.

The banning of the race also affects the Atlantic Triangle race, of which the Cape-to-Rio leg was to have been the main section. The first leg was from St. Malo to the Cape and the final from Rio to the U.K. Yachting sources said to-day that "everything possible" was being done to persuade the Brazilians to reverse their decision.

Observers here see the most likely reason for Brazil's decision as being South Africa's involvement in Angola and Pretoria's opposition to the MPLA. Brazil has officially recognised the MPLA Government in Luanda.

Meanwhile, South Africans have been shocked by the killing of two civilians, one a British citizen, in Ovambo, by insurgents from Angola. It is reported that the insurgents were probably members of the military arm of the South West Africa Peoples Organisation (Swapo).

South African security forces were to-day reported to be searching the forests on the Angola-Namibia border for the killers.

Reuter adds from Rio de Janeiro: Brazil said to-day its ban on the yacht race was final, despite efforts by sporting officials here to have it lifted and despite the recall of South Africa's ambassador in Brasilia.

A Foreign Ministry spokesman said there were no plans to summon home Brazil's chargé d'affaires in Pretoria in retaliation. Ministry officials declined to give any reason for the decision to close Brazilian ports to the 3,500 mile race in which 148 yachts from 18 countries were to have participated.

U.S., Nigeria deny troops in Angola

BY OUR FOREIGN STAFF

BOTH the U.S. and Nigeria yesterday denied any direct military involvement on opposing sides in the Angolan war. The Central Intelligence Agency denied a U.S. Press report that is has "recruited 300 American ex-servicemen for an "undercover army" in Angola. It was admitted that there were a handful of Americans in Angola, but solely to check on the delivery of U.S. equipment to the FNLA and Unita movements.

Meanwhile Nigeria has denied the claim, made by a senior member of the MPLA, that it has sent troops to help the Soviet-backed Angolan movement.

The claim was made earlier this week by Major Henrique Carvalho dos Santos, leader of an MPLA delegation which has been visiting Caribbean and Latin American countries. At a Press conference in Guyana, Major dos Santos said that Nigeria, Congo, Guinea-Conakry and Guinea Bissau were ready to send troops to Angola, adding that "troops from Nigeria may be already arriving in my country."

However, although the dispatch of troops to MPLA has been denied in Lagos, there has been no official confirmation of the amount of aid—said by MPLA to be over $100m.—which Nigeria has promised to MPLA since it recognised the movement in late November.

Meanwhile President Kuanda of Zambia has called for the total withdrawal of foreign troops from Angola and the formation of a Government of national unity. A similar call has been made by the Presidents of Zaire, Uganda and the Central African Republic after a joint meeting in Bangui.

Our Georgetown correspondent reports: The visiting MPLA delegation leaves Guyana to-night happy at the promise of political support. It stopped short of a formal request to the Government for recognition, but was satisfied with the promise of support by Mr. Forbes Burnham, the Prime Minister, which was made yesterday at a public rally. However, the MPLA put in a request for food supplies, and the Government is considering the possibility of sending rice and sugar.

Jane Bergerol reports from Luanda: The chief minister of the MPLA said yesterday he expected opposing FNLA-Unita forces to seek to stabilise the military situation in the south of the country, and strangle the MPLA-held region economically.

At the same time, however, Sen. Lopo de Nascimenю insisted that despite suspension by Gulf Oil of its operations in Cabinda and of revenue payments to Luanda, MPLA policy was not to nationalise multinational concerns in Angola, although he did not mention Gulf by name.

He admitted that Gulf's actions had a doubly adverse impact on the MPLA. Its prime foreign exchange source had vanished and, with the northern Angolan Petrangol Oil Company falling into FNLA hands, 75 per cent. of the MPLA's needs had been met by Gulf.

● At least 90 Cuban troops fighting with the MPLA have been killed according to military sources with the FNLA and Unita forces. Fifty of them had died on December 14 in a single battle near Quibala, 250 miles south-east of Luanda, the sources said. UPI

Beirut truce shaky

BEIRUT, Jan. 2.

MUCH of Beirut was calm to-day with only the occasional sniper's bullet marring an armed truce between rival forces of Left- and Right-wing gunmen guarding the city's Moslem and Christian quarters.

But there was no sign that political leaders were prepared to sink their differences to reach a compromise political programme that might help cement the truce.

The mainly Left-wing Moslem community is pressing for constitutional changes to abolish the built-in majority enjoyed by Christians in Parliament and State institutions. Right-wing Christian parties are resisting this pressure, and are demanding that the State assert effective control over the country before political reforms can be considered.

Mr. Pierre Gemayel, leader of the Right-wing Falangist Party, told Reuter to-day he hoped the security situation in Lebanon would continue to improve, and that there would be no further recourse to violence.

The Lebanese bankers' association said to-day that the banks, which have been closed for nearly a month, would reopen when the security situation improved to the point where all roads were safe. But Beirut Radio said that some roads were still hazardous. Reuter

Renault prices up

RENAULT is expected to raise its prices by between 6 and 7 per cent. effective January 5 according to industry sources. The increases will not affect Renault's new R-20 range, they added. Renault's increases coincide with a number of new year price rises announced by the government, including dairy products, up 3 per cent.

Dordogne bombs

Four bombs exploded yesterday outside estate agents' offices in the Dordogne town of Sarlat but no one was hurt. Police said no one had yet claimed responsibility for the blasts which did not cause serious damage. Last week, slogans were painted on estate agents' windows protesting against the sale of houses to foreigners in this south-western province.

Malta surplus

Malta ended 1975 with a balance of payments surplus of £M50m., an increase of £M34m. over last year's capital and current accounts results. This was announced by Premier Dom Mintoff in a televised address to the nation in which he gave a detailed report on the island's economy. Mr. Mintoff said his Government would seek to induce repatriation of private investments held abroad, and would offer a higher interest rate than the 5 per cent. currently offered by Maltese banks.

Soviet gas flows

First deliveries of Soviet natural gas to France under a 20-year agreement have begun, Gaz de France announced. In the absence of a pipeline network between the Soviet Union and France, however, the Russian gas is being delivered to SNAM of Italy through Czechoslovakia and Austria, at the rate of 1bn. cubic metres per annum.

Timor conflict

Left-wing Fretilon forces in Timor said in a radio broadcast they had stemmed a major offensive by pro-Indonesian forces. About 15,000 troops were pinned down near the central mountains village of Aileu, 25 miles from Dili, Fretilon Secretary - General Alarico Fernandes said in the broadcast.

Thailand strikes

Thailand was hit by partial strikes in several industries yesterday in protest against government plans to increase the price of rice. There were slowdowns by dockers, electricity and telephone workers and at the Bangkok waterworks. The city's 4m. people were urged to conserve water in case of a shortage.

Arabs snub Israel's West Bank talks plan

BY L. DANIEL

JERUSALEM, Jan. 2.

AS THE Israeli Government prepares for next week's visit to Washington of Foreign Minister Yigal Allon, Arab notables within Israel have given a cool reception to a Foreign Ministry plan for holding informal discussions with Jordanian leaders and West Bank Palestinian representatives. The plan is designed to provide a counterweight to attempts by the Palestine Liberation Organisation to increase its influence in the West Bank.

The plan, which emerged in discussions over the last few days, is not an attempt to reach a partial settlement with Jordan, but simply to allow leaders of the 1m. inhabitants of the West Bank to participate in discussions. It is also designed to break the stalemate on Israel's eastern borders which was created by the Rabat Conference. The Rabat Conference, held in November, 1974, appointed the PLO the sole representative of all the Palestinians.

To-day Arab notables inside Israel expressed scepticism about the plan for informal talks. Both they and Arab politicians in Jerusalem said they thought that neither Jordanian officials nor West Bank leaders would dare oppose the PLO, following the Rabat conference, even though the majority of the Palestinian people live in the West Bank.

The politicians said that Israel had missed the boat in July 1974 when King Hussein, backed by Egypt's President Sadat, wanted to negotiate a "disengagement" agreement. Israel saw no need for it, since Jordan had not participated in the October 1973 war, and aimed for an overall settlement with Jordan. The Rabat conference took place three months later.

Arab politicians here said that neither Jordan nor the West Bank leaders would now involve themselves in negotiations "unless local leaders could carry to Amman a concrete Israeli peace formula promising a withdrawal to slightly amended pre-1967 borders and the return of Arab administration of the Old City of Jerusalem."

Such negotiations would have to be co-ordinated with the PLO, they said. While there is a good deal of flexibility in Israel regarding the West Bank, opinion is totally opposed to the redivision of Jerusalem. It therefore looks as though the Allon plan will be stillborn.

Foreign Minister Allon has reaffirmed to the Knesset that the Israel Government will not participate in the January 12 Security Council debate to which the PLO is to be invited. The Government will be closely watching the U.S. stand at the meeting for signs or indications of the course U.S. policy is likely to take in the next few months.

In particular Jerusalem is concerned about the attempts which are likely to be made during the Security Council debate by the Soviet/Arab bloc to effect changes in Security Council resolutions 242 and 338 which have hitherto been the basis of negotiations of the partial settlements and the Geneva Peace Conference framework.

The U.S. has in the past declared its opposition to any changes in 242 and its corollary 338 originally adopted after the 1967 Six-Day-War, which affirms Israel's right to live in secure, defensible and recognised borders. The strength of the U.S. opposition to any attempts to change 242, particularly the part referring to the Palestinians, will be regarded by Jerusalem as a yardstick of U.S. intentions. One Soviet/Arab attempt might take the form of not changing the resolution, but trying to add to it, it is feared here.

The full cabinet will meet in Jerusalem on Sunday to give it final guidelines to Mr. Allon before his departure for the U.S. next week where he is scheduled to meet Secretary of State Kissinger, Secretary of Defence Rumsfeld and Vice-President Rockefeller. The possibility of a meeting with President Ford is not ruled out.

Allon's talks in Washington will be on Wednesday, Thursday and Friday of next week, that is just prior to the Security Council debate. Israeli Premier Yitzhak Rabin goes to the U.S. after the debate, from January 27 to February 4.

Dutch production slumps

BY MICHAEL VAN OS

AMSTERDAM, Jan. 2.

DUTCH INDUSTRIAL production has plumetted 9 per cent. in 1975, while the national income per capita has declined nearly 4 per cent., according to provisional statistics released by the Central Statistics Bureau in The Hague.

These gloomy figures, contained in the latest CBS bulletin carrying the legend "happy new year," are among the more striking examples of the effects of the recession. The bulletin adds that gross investments in fixed assets went up very marginally to Fls.35bn. (in 1975 Fls.34.5bn.). As for industrial production, the index showed that only output in the foodstuffs and luxuries sector has remained stable.

The biggest declines were recorded in textiles and ready-made clothing (down about 15 per cent.), the paper industry (down 20 per cent.) and the chemical sector (down about 15 per cent.). In metal, the output fall was about 8 per cent. in 1975.

The CBS bulletin revealed that the value of exports had declined by Fls.4bn. to about Fls.84bn., but since the export price rise has been at least 4 per cent., the volume fall had been stronger still. The value of imports also fell by about Fls. 4bn. to about Fls.84bn. according to the provisional estimates. The world recession has also sharply affected activity in the Dutch sea ports which handled about 327m. tons in 1975, a fall of nearly 3 per cent. from the year before.

Chirac soothes wine growers

BY RUPERT CORNWELL

PARIS, Jan. 2.

THE FRENCH Government has secured an uneasy truce with irate wine-growers, following its offer of a new professional body comprising producers and growers to supervise the market.

The proposal for a revamped Wine Office was made this week by Prime Minister Jacques Chirac to a delegation of growers, who are again up in arms over what they feel are excessive cut-price imports from Italy destroying their livelihood.

Last September, violent protests in the South forced France to impose a blatantly illegal 12 per cent. tax on such shipments, but the growers now say this is insufficient and want an outright ban on imports from Italy.

Anxious to avoid fresh trouble with the EEC, M. Chirac apparently ruled this out. But whether the producers are satisfied will depend on what powers the new Office is given. Should it prove toothless, the prospect is of further disturbances before long—on the lines of the action which cut off the Mediterranean wine port of Sete for a period earlier this week.

Algeria defence budget up

ALGIERS, Jan. 2.

ALGERIA will step up defence spending by more than 20 per cent. in 1976—the biggest increase for 11 years, Finance Minister Ismail Mahrough said to-day.

The Minister said defence spending had been kept down for a decade so that maximum resources could be devoted to economic and social development. "The moment has now come to give our Popular National army the means to undertake its mission of defending our country and our revolution," he said.

Observers said the increase in projected defence spending reflected the growing tension in the region over the future of the Spanish Sahara—which Spain has agreed to hand over to Morocco and Mauritania. Algeria is giving full backing to the Saharan indepedence movement, the Polisario Front, which is fighting against Moroccan and Mauritanian forces in the Sahara. Algeria has already greatly increased its military preparedness along the border with Morocco.

Defence will cost the country Dinars 1.28bn. (about £160m.) this year compared with Dinars 1.03bn. (£130m.) in 1975. The defence budget is, however, still only half as big as the education budget in this youthful country where more than a fifth of the 17m. population is undergoing education. Reuter

4,000 Indian Communists protest for rural reform

NEW DELHI, Jan. 2.

MORE THAN 4,000 Communists were reported to have been arrested to-day and later released in the southern State of Tamil Nadu when they staged demonstrations urging a better deal for rural workers.

Reporting from Madras, the state capital, the Press Trust of India (PTI) quoted police as saying 4,160 members of the Communist Party of India (CPI) were temporarily detained during "hunger strikers" staged in front of local administration offices.

R. M. Kalyasunderam, general secretary of the Tamil Nadu CPI told the PTI that about 6,000 demonstrators had been held and then freed. The CPI is an ally of the ruling Federal Goverment of Prime Minister Indira Gandhi.

Tamil Nadu is one of only two of India's 22 states where a party opposed to the ruling Federal Government is in power. Together with the administration in the state of Gujarat it has resisted the State of Emergency imposed by Mrs. Gandhi last June. Reuter

Stamps

Some hardy annuals

BY JAMES MACKAY

COMPARED WITH Christmas, the New Year receives scant philatelic recognition although it has figured in the stamp album over a much longer period. The earliest New Year's stamps in fact appeared in 1887 when special envelopes and greetings cards were produced by a Berlin postal delivery company. These items bore impressed 5pf stamps. The rate was raised to 10pf in 1889 and the company stopped issuing New Year postal stationery in 1895.

Stamped postcards celebrating the New Year were produced by the German Imperial Post Office at the turn of the century. Various local delivery companies overprinted their stamps "Prosit Neujahr" (New Year Greetings) with the date below.

The first Government-issued New Year stamps appeared in Paraguay in 1932 when two diamond-shaped stamps, originally commemorating Archbishop Bogarin, were overprinted "Happy New Year" in Spanish. The following year two Zeppelin commemoratives were re-issued with a one peso surcharge and a New Year overprint. After this promising start, however, the idea of New Year's stamps languished in Latin America and it was left to Japan to revive and develop the custom.

The first Japanese New Year stamps featured Mount Fuji and appeared in 1935. The following year a single Y1½ stamp depicted the famous Wedded Rocks—islets joined by streamers of lianas through some freak of nature. These special stamps were discontinued until 1948, when a stamp showing a girl playing with a shuttlecock was released for the New Year. No stamps appeared in 1949 or 1950 but since 1951 Japan has issued a New Year stamp regularly. The stamps prepay the domestic greetings card rate. They were formerly released also in small booklets though nowadays they are usually produced in miniature sheets of three or four stamps.

The majority of Japanese stamps since 1951 have featured the emblem of the year, according to the 12-year cycle of the zodiac. But on several occasions the designs have departed from this custom. In 1954 a child's tumble-toy, with a lacquered portrait of the Buddhist saint, Daruma, was depicted and in 1952 and 1953 a mask from the Noh drama and a dancing doll were the respective subjects. In other years toys, dolls and works of art alluding to the zodiacal cycle have been chosen.

As 1976 is the Year of the Dragon the Y10 stamp released on December 13 depicts Tatsu-guruma, a dragon toy of papier maché unique to the Miharu district of Fukushima Prefecture. The manufacture of these papier maché toys in Miharu has been documented as far back as the 12th century.

The Ryukyu Islands, formerly under American administration, began issuing New Year stamps in 1956 with a design featuring a bouquet of pine, bamboo and plum. In subsequent years the Ryukyu stamps conformed to the zodiacal system, latterly concentrating on Bingata textile patterns showing traditional animal motifs. The last issue marked New Year 1972, the islands being returned to Japan the following May.

South Korea issued combined Christmas and New Year stamps between 1957 and 1960, with designs showing traditional Christmas symbols together with the zodiacal emblems. These stamps were discontinued in 1961 but revived in 1968. Pairs of New Year stamps have been released annually since then, and the New Year emblem has appeared on at least one of them.

Taiwan first issued New Year greetings cards in 1963, when 40 fen cards showing a paper lantern and the Chinese equivalent of "Happy New Year" were issued. The reverse design of these cards showed either a dragon scene or a landscape painting. New Year cards have appeared each year since then, and in 1968 a pair of adhesive stamps was introduced. Since then these stamps have featured the zodiacal emblem. The stamps for 1971 (Year of the Boar) depicted a piggy bank and served also to boost the national savings campaign. The Year of the Rat (1972) was marked by two blocks of four showing squirrels, but in subsequent years Nationalist China has reverted to two stamps. This year's stamps reproduce part of a fresco from the Nine-Dragon Wall at Peihai, Peking. Special envelopes and folders have also been produced in connection with this issue.

A dragon textile pattern by a local artist forms the subject of the two stamps which Hong Kong will be issuing on January 21. The stamps, in denominations of 20c and $1.30, have been lithographed by the House of Questa. Hong Kong has produced New Year stamps since 1967, invariably following the Chinese zodiacal system. The Chinese New Year was the subject of the 25c stamp in the series released recently by Fiji. Reflecting the multi-racial character of Fiji, the other stamps publicised the Hindu festival of Diwali, the Moslem Id-Ul-Fitar and Christmas.

New Year stamps have been issued sporadically by the countries of eastern Europe but Russia alone produces one, a 4 kopek stamp, on a regular basis. Since 1962 these Russian stamps have depicted snow crystals, fir trees and the sort of snow-covered views of Moscow and the Kremlin that might almost—if not quite—be appropriate to a Christmas card or a chocolate box.

Chess

Bind breaking

BY LEONARD BARDEN

MAROCZY'S BIND, named after a Hungarian grandmaster, is a name and strategy which often interests club players even when they are uncertain of its meaning and value.

The bind is a positional grip on the square Q5, established by centre pawns at QB4 and K4; and it is a valuable weapon for a patient positional player who likes to build up space control. The Maroczy pawns restrict Black's freedom of action and are particularly effective in stopping or immobilising a central pawn counter by Black in the early middle game.

The Maroczy was at one time considered almost an automatic win for White as Black failed to escape from his cramped position. But then players with Black started to win games by exploiting the dark-squared gaps in White's game caused by so many pawns on light squares, and expert opinion began to move the other way and assess the bind as ineffective.

The Maroczy swingometer remains poised between White and Black as leading masters have divided preferences. Current practice favours White, especially after a game in Manila last year which introduced a new strategy of a queen's side pawn advance to pre-empt the dark square counterplay before pressurising Black in the centre with the Maroczy pawn.

The bull market in the Maroczy could well continue after a surprise result in last month's Russian championship in which ex-world champion Petrosian, a leading advocate of the black side of the Maroczy and the hardest player to beat in international chess next to Karpov, lost to the young master Romanishin.

Romanishin's game has a different opening variation to Portisch's win at Manila, but White's strategical objectives are similar. What this week's game shows is that the Maroczy technique can be just as effective when Black places his KB at K2, aiming at a quick counter in the centre, as when this bishop is fianchettoed at KN2 as in Portisch-Pfleger.

White: Romanishin. Black: Petrosian. Maroczy bind English Opening (USSR 1975).

The opening moves were 1 P-QB4, N-KB3; 2 N-QB3, P-K3; 3 N-B3, P-QN3; 4 P-K4, B-K2; 5 B-Q3, P-Q3; 6 B-B2.

White's 5 B-Q3 and 6 B-B2 is a novel concept to give his bishop more scope than at the usual square K2.

6......P-B4; 7 P-Q4, PxP; 8 NxP, B-N2; 9 0-0, 0-0; 10 P-QN3, N-B3; 11 B-N2, P-QR3; 12 K-R1, Q-B2; 13 P-B4, QR-Q1; 14 R-B1, Q-N1; 15 R-B3!

Petrosian is playing an orthodox anti-bind strategy of massing his pieces ready to undermine White's centre by a strike with P-QN4 or P-Q4—but White's rook move reveals his intention of going straight for the black king.

15......P-N3; 16 N-Q5! PxN; 17 KPxP.

A second sacrifice by 17 N-B5; might have been still stronger.

17......NxN; 18 QxN, QR-K1; 19 P-KB5, B-Q1; 20 Q-R4, R-K4; 21 Q-R6, Q-B2; 22 R-N3, B-B1; 23 BxR, PxB; 24 PxP, BPxP; 25 BxP!

Destroying Black's improvised defences. If 25......PxB; 26 RxP ch, K-B2; 27 R-N7 ch wins the queen.

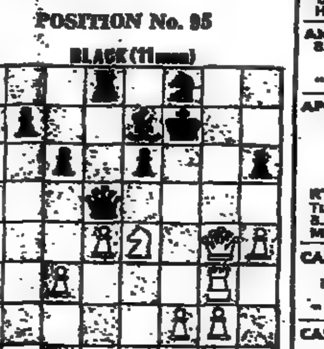
25......N-N5; 26 B-R5, R-B3; 27 Q-Q2, R-B5; 28 P-Q6, Q-KN2; 29 P-Q7, B-N2.

If 29......BxP; 30 BxN, or if QxP; 30 QxQ, BxQ; 31 P-KR3 with a winning ending, though this was Black's only chance.

30 QxR! Resigns.

POSITION No. 95

BLACK (11 men)



WHITE (11 men)

This week's position appropriately shows a win by Victor Korchnoi, the world No. 2 currently playing at Hastings. Korchnoi (White, to move) has sacrificed a bishop for an attack which he now forced home in a few moves. How did the game finish?

PROBLEM No. 95

BLACK (1 man)

WHITE (6 men)

White mates in two moves, against any defence (by A. P. Guliayev).

Solutions Page 4

CINEMAS ARE CONTINUED ON PAGE 22

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 16 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 211596
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Riksdagsbrödrags 7, 105 17 Stockholm. Tel: 58 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 285 Ont. 6 Charles St. E. 416 921 5875
Jo'burg: 637 Union Centre East corner: Pritchard and Harrison Streets, P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku Tel: 241 2920

SATURDAY, JANUARY 3, 1976

Beginning to consolidate

THE NEW YEAR has opened in the markets—and in some senses in the economy—on a much more hopeful note than seemed likely only a few weeks ago. *This certainly does not* mean that a rapid recovery is in prospect; on the contrary, the latest forecasts from the U.S. are very subdued. On the other hand a slow recovery, which is unlikely to place any strain on resources for a long time to come, gives a much better chance of continuing progress against inflation. In *the short-term, this improved* prospect is good news for the gilts market whose celebration was reinforced by the further cut in the Minimum Lending Rate yesterday.

A danger

In the longer-run, it is surely good news for all of us. An over-hasty reflation, which could have led too quickly to still higher inflation rates, might have renewed the conflict and disillusion of the past two years in nearly intolerable form; such an outcome was until recently quite widely forecast, and nearly as widely feared. *There still remains* a danger that Governments under pressure from rising unemployment levels—and under electoral pressure in some highly important countries—will make imprudent efforts to engineer a boom, regardless of *the long-term dangers*; but memories of the inflation crisis are lively enough to restrain them from extreme steps.

Disillusion is restoring a sense of reality. Consumers all over the world, seeing a difficult period ahead, are saving more than at *any time since the war*. When they do spend, they are showing a keen awareness of price, as has been shown in Britain by a dull Christmas followed by tremendous trade in the bargain sales. This wariness is reimposing the old competitive disciplines in the market place and restraining prices far more effectively than *any bureaucratic interference* could do. Companies in turn are being driven to leaner stock and manning levels—an adjustment which is very painful while it is in progress, but is essential if soundly-based growth is to be achieved.

The Government, although in a sad dilemma, shows at least fitful recognition of the needs of the economy. Its basic economic strategy—its declared strategy at least—has now been endorsed by the IMF *That endorsement may well* help to prevent any backsliding.

It is the trade unions, however, for whom the new situation offers the greatest immediate challenge. Last year their leadership belatedly recognised the disastrous results of the free-for-all which resulted from the vague "social compact," and reimposed some self-*discipline; by doing so they re-*established some claim to be taken seriously in discussions of economic policy. The challenge they now face is a more difficult one. They must resist what at times will be an almost overwhelming temptation to *retreat into the restrictionist* job-protection which has been their traditional answer to high and persistent unemployment.

This will be a crucial issue for several years to come; for in some ways Britain is now potentially better placed for *expansion than at any time* since the war. The rising unemployment of recent years has finally put an end to the bad habit of labour hoarding, which led employers to under-write restrictive over-manning: the shake-out has been on for some time, and still has far to go.

Wasted resources

The result is that Britain is belatedly discovering in its own factories and offices the pool of labour which other economies have drawn from agriculture or immigration, on which real expansion could be based. A combination of floating and self-*restraint may also offer, at last,* a sustainable and competitive value for the pound; for though *the adjustment of incomes to* reality still has some way to go, it has begun, and with trade union agreement. If the trade unions further allow labour to be used flexibly and efficiently, then the conditions for soundly based expansion would really *exist. The problem will be one* of patience: for a sound expansion will take some years to deploy the resources we have been wasting so disastrously for a decade and more. Recent years have offered us some hard lessons: the coming year will *begin to show whether we have* learned them.

EDUCATION: Under a voucher scheme, parents would be given the average cost of a year's State education and would then bid for a place at the schools they most wished their children to attend. **Michael Dixon** reports

Bidding for a new school curriculum

"BRITISH INDUSTRY should stop deciding what to produce before trying to make the market want it, and start deciding what the market wants before trying to produce it. British industry is far too production-oriented." Hardly any reader can have escaped hearing this sentiment. It is part of the liturgy of the average management education course which touches on marketing. Yet no industry in this country is more production-oriented" than our education system, and none has such power over its customers.

Far from developing sensitivity to market wants, the system over recent years has generally concentrated increas*ingly on supplying what the* educators wish, while simultaneously strengthening its domination of the market.

Every child is now legally obliged to take up 11 years' worth of education services, whose content and quality are *effectively determined by the* head and teachers in each school. Excepting a small portion of flabbily defined "religious instruction," there is no stipulation as to what teachers should supply or pupils attain. So a shift in producers' opinion, which need be neither justified nor explained to those who finance or consume the State service, is enough to change radically what it provides.

Such a shift—away from drilling pupils in the basic skills of reading, writing and arithmetic—is probably connected with an evident concentration of opera*tional illiteracy and non-*numeracy among the children of unskilled and semi-skilled workers. It is also probably connected with currently growing complaints from employers about large numbers of teenage job candidates being so devoid *of productive skills as to be* unemployable.

'Unemployables' problem

But the State system remains reluctant to think again about professionally fashionable "free choice" approaches to schooling, or to change its curricula. Nor can it be required to do so by the politicians notionally in charge of education. The only likely reaction to the problem of the "*unemployables*" will be an attempt to treat the symptom by spending more taxpayers' money on extra courses for 16- to 18-year-old youngsters who, if the Trades Union Congress's demand is granted, will be compelled to attend them *for a specified number of days* each year.

The escape route from the State system's high-handedness into independent schooling is *becoming blocked by inflation-*cum-progressive-taxation. The consequent "bear" pressure on the private sector will be compounded by the conversion into independent schools of more than a hundred direct-grant and grant-aided grammars which are having their semi-independent status withdrawn by the Government and are required *either to become fully self-*supporting or to merge into what is notionally to be a State sector of entirely comprehensive secondary schools.

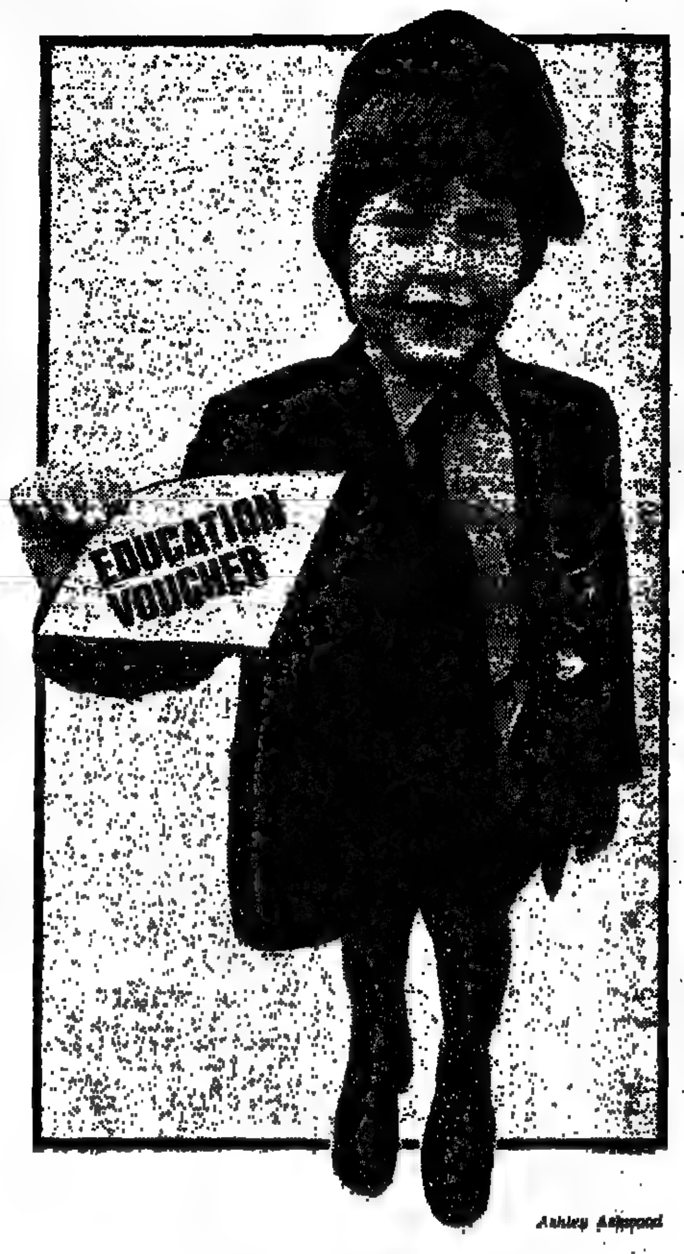
So the State system is well on the way to enjoying monopoly as well as virtual non-accountability to the public who are legally compelled to pay for and make do with whatever the producers choose to supply. Moreover, the interest groups *purporting to represent the sys-*tem's more than a million teachers, administrators and auxiliaries, have a vested interest in resisting any measure which would weaken their increasingly dominant role. This no doubt largely explains the refusal of the British system (and its attendant politicians) even to experiment with a *voucher scheme for financing its* schools.

In its basic form a voucher scheme—one of which has been tested reportedly with consider*able success in the U.S.*—would work as follows. For every child of school age, a parent would be given a voucher representing the average cost of a pupil's State schooling: in England and Wales in 1974-75 this annual cost was, at the *latest funny-money rate*, £215 in primary schools and £345 at the secondary stage. The parents would then use the vouchers in bidding on behalf of each child for a place at the schools which they most wished the child to attend. How much income each *school received to support its* operations would then depend on the extent to which they *were attractive to the customers.*

One variant of this form would allow parents to supplement the vouchers out of their own pockets and to bid for places either in State or independent schools. Against this version the State system can *level the charge—which seems* to be heavily supported by popular sentiment — that it would provide taxpayer-support for maintaining the privileged educational position of the wealthy sectors of society, and thereby be an unconscionable *and retrograde social evil.*

To this charge, however, the advocates of vouchers can and do readily reply that the scheme need not take such a free-deal*ing form.* The scheme could restrict the use of the vouchers to the State system, vary the value of the voucher so as to make those issued on behalf of children from poor families worth more than those distributed to the better-off, or both. This, the advocates claim, could be a far more effective way of positively discriminating *in favour of the unfortunate* child than any yet applied in State education

There is apparent justice in this claim because the evidence *is that the present system is* very much a middle-class benefit. *For some reason, increases* in State educational expenditure seem consistently to work in the interests of the better-off, while any decrease in State spending works against the interests of the poor. What is more, the voucher-supporters argue, *such* a scheme would also reduce the time officials now need to spend in allocating youngsters to schools, and so free administrative effort for ensuring and maintaining an improvement in the quality of education provided by schools in working-class districts.



Ashley Ashwood

Faced with this claim by the proposers, the opponents have fallen back on somewhat shaky positions. One counter-argu*ment, to which* Mr. Edward Heath apparently subscribes, is that the scheme would lead to an unhealthily disproportionate demand for some schools as against others, with consequent disappointment to many parents. But it is hard to con*clude that this would be any* worse than the present demand *situation, with the exception* that the disappointed parents would themselves have to find a lower-choice school for their children, instead of having one found for them by the bureaucracy.

Parents vs. bureaucrats

Another counter-argument is that in a complex modern society parents are not necessarily the best people to decide what education their children should receive. But this, of course, begs the question of how the bureaucrats must necessarily do any better.

A third counter—to paraphrase a recent letter to another newspaper—*is simply* this: "The people proposing vouchers tend to be towards the Right in politics. Because of this, although their proposals look as though they would favour the working classes, they must conceal some cunning élitist mechanism which the Left has not yet managed to *spot.* Voucher schemes are therefore socially unacceptable."

In sum, the reasonable arguments in favour of a voucher scheme definitely outweigh those against it. Nevertheless it would be folly to think that *the introduction of vouchers* could by itself produce the changes in our educational practices which are arguably needed if this country's future is to be tolerably free of economic, or even of totalitarian, chains. Education is not the ordinary sort of product whose beneficial development might be guaranteed by adjusting the market in *favour of the demand* side.

To begin with, schooling is in economic terms rather *like* petfood, in the sense that those who pay for it do not themselves consume it. By the strict test of how attractive the pro*duct is made* to the actual consumer, the "free choice" approach to schooling is far and away more *market-oriented* than are the older, more authoritarian, teaching methods. Unfortunately, children seem to have even less instinct than *kittens or puppies for* choosing sagely between short-term appeal and long-term nutritiousness.

So educational provision is prone to a natural conflict. What those who do the consuming want, those who do the buying tend to be reluctant to pay *for*. What the buyers want, the consumers all too often consider *repellent.*

By increasing the market power of parents, vouchers would inevitably force schools to apply greater coercion to their pupils. Rightly or wrongly, a growing number of teachers believe this would *inhibit children's* healthy development. Moreover, vouchers could well also inhibit a much needed development of the education system itself.

The system has become extremely decisive in determining youngsters' career prospects. It *does* this by subjecting them to progressively harder and usually more *specialised academic* tests, allowing a steadily lessening proportion to pass through to the next level. As the system has extended, however, the absolute numbers passing have almost automatically increased, and the academic level required *for entry to a desirable career* has risen. The supply of graduates, for example, has grown greatly. Consequently, graduation at bachelor level no longer clears the way to a good job. The situation is now that the lack of a degree blocks it.

But it is becoming evident that the ability to be effective in academic exams does not necessarily coincide with the ability to be effective in the wide variety of responsible jobs in the working world. It is the view of, among other experts, Dr. Hans Eysenck, *professor of psychology* at London University's Institute of Psychiatry, that it is "crazy" to use academic attainment as the *prime factor* in selecting people for jobs unless the work depends predominantly on the exercise of intellectual expertise. This is not the case in most responsible jobs. *The tendency* is for the predominant need to be, not for intellect, but for personality traits such as *sociability* and enterprise. Academic exams not only fail to certify extrovert traits like these, they also discriminate against them.

To use so inappropriate a criterion for deciding who shall and shall not have the chance to *hold important positions is* against the nation's interests. So is the obvious failure of academic studies to enthuse the bulk of children, with the result that their years at school often endow them with little more than a powerful feeling of hopelessness and *frustration* — a source of raw material which has not gone unnoticed by the *revolutionary factions. There is* surely a vital social need for the early design and widespread introduction of *new curricula* geared to developing and assessing the less-academic majority.

The need for such curricula—which of course would have to *include* training in the three Rs—will not be met by leaving educational development to the *self-interest of educators and* parents. Educators have been selected, trained and ingrained with the values of the academic curriculum. They have neither the inclination nor the know-how to devise any effective non-academic counterpart.

Scaling the ladder

Parents, seeing that their children's career prospects depend on the successful scaling of the *academic ladder*, are naturally predominantly concerned with obtaining for them the sort of schooling which best guarantees scholastic success. By increasing the market power of parents in the present situation a voucher scheme would seem certain to push an education system which is already more academic and specialised than *those in other developed coun*tries into becoming more academic still.

So whether or not we experiment with voucher schemes is not an issue of any real priority. The truly urgent matter is more radical. Government needs now to take power to devise effective non-academic curricula, train the new types of teacher required, and put the change into force.

Even if the process were started to-day, it would take many years to be completed. But until it is, we as a nation are unlikely to reap the important potential benefits of voucher schemes, which include their effect as a check on bureaucratic power. And unless it is we might cease to be democratic enough for parents to exercise any power over their children's education at all.

Letters to the Editor

Responsibility

From Mr. G. Smith.

Sir,—The letter from Mr. Roberts (December 22) deserves to be but the beginning of an important debate.

First, there needs to be an expansion of his expression "work hard." The hardest work I ever did, in some 33 years in manufacturing industry, was to take responsibility. My upbringing and education made it seem natural not to shirk responsibility, and while not seeking it, to accept it. I worry whether the up*bringing and education of those* more than 20 years my junior inclines them to accept it as *something the acceptance of* which is the inescapable incubus of their origins and training.

This fear, if it is justified at all, probably runs like this: the natural assumption of responsibility is congenital in a very few, can be inculcated in a larger proportion, but is not something which comes naturally to nearly enough of the population to meet the need of modern society for responsibility-takers. Since, like being a coal-face worker or a mucker-out of Augean stables, it is never desirable, then if we no longer "bring up and educate" enough of the population to do it then we must bribe them. But that may produce enough volunteers by numbers, not necessarily by quality. Here I find Mr. Roberts' words "socially inequitable" alarming. For what ever is "social equity" in this context?

I prefer the natural (as I see them) forces of the market-place to determine to what *standard of living my willing-*ness to accept responsibility takes me.

G. A. D. Smith,
Stafford House,
The Chipping,
Tetbury, Glos.

Speed maniacs

From Mr. A. Lilley.

Sir,—It is a pity your contributor (December 24) allowed his personal obsession about road speeds to spoil an otherwise good article in favour of quite necessary new legislation.

It is absurd and dated in the extreme to rail against speed maniacs as he does. Where, incidentally, does he find them? I'll wager I drive four or five times annually his mileage and they are the rarest things to come across.

None of the statistics he quotes takes account of the sharp reduction in mileage experienced everywhere since the oil monopolists got to work. It is equally arguable that the *removal* of limits is reflected at once by a reduction in accidents (between West German experience and that of the State without limits in the U.S.).

However—and measurably—he abandons all claim to seriousness by totally ignoring the extra-*ordinarily high portion of road* casualties caused by the activities of criminals, careless walkers, motor cyclists, etc., and equally that by far the greater proportion of road deaths occur in urban areas already subject to low speed limits.

That which is urgently necessary is *stringent* legislation on the Swedish pattern for drunken driving and swingeing penalties for exceeding limits in a very few black spot locations—otherwise speed limits should be completely removed and *then* we should see sharp falls in casualty figures.

A. F. Lilley.
Kingsdown Park House,
Tankerton, Kent.

Parent power

From Lt.-Cdr. N. Paulley, R.N. (Retd.)

Sir,—The inequality in present arrangements for education, *about which* Mr. Kaufman has expressed concern (December 18), is not the freedom of a few *to pay school fees, but the denial* to many—the majority of parents who use the State system—of the power to decide the education their children are to receive.

State school parents are powerless, because there is no effective inducement for maintained schools to adapt themselves promptly to parents' wishes. Under the present system, a parent may complain and if he is influential or articulate, he may get something done. But most parents are not influential or articulate. In most cases the individual parent can do very little but accept the education provided for his child. What is needed is an instrument that would give a parent the last word. The education voucher would give him this power. Just as his wife says to the shop-keeper "I am sorry: I am taking my money elsewhere." So, he could say to the headmaster "I am sorry: I am taking my voucher elsewhere."

You would not need more than a few parents saying that before schools sat up and took notice. If they did not, it would not be long before they had to close down. But in practice, of course, they would not close down because they would very soon have to put right what was wrong: unsuitable subjects, inefficient teachers, bad behaviour etc. And one thing is certain—schools would give more information about themselves. No longer would it be necessary to drag information from busy headmasters: they would tell you all you wanted to know, because they would want your vouchers.

Rather than deprive fee paying parents of their power to influence their children's schooling, as Mr. Kaufman appears to want let this power be extended, through a voucher system, to the millions of parents who are disenfranchised by the present arrangements.

Noel Paulley.
"Corfu," Cardiff Road,
Creigiau, Cardiff.

Middle East trade

From Mr. J. Lada-Grodzicki.

Sir,—The port of Beirut is practically at a standstill. The civil war has gradually made working in the port more and more difficult.

When I visited the Syrian ports of Tartous and Latakia in November I saw a number of ships diverted from Beirut, where they could not be handled. The captains, who in such cases have the right to unload the *cargo at any other port of* their choice, called on Cypriot, Syrian, Turkish and Greek ports. *Whether cargo unloaded under* such conditions can be identified, whether parcels forming a consignment can ever be brought together and what the losses and damage will be is impossible to assess. Whoever will pay eventually is perhaps less important than the trade losses to the exporters and importers.

I also saw other ships loaded with containers already waiting for weeks to send them to inland destinations. Even if these containers could be unloaded, there were no suitable bogies to carry them safely to their destinations in Saudi Arabia, Jordan, Iraq, Kuwait or Qatar. This situation causes a great disruption of trade with many Arab countries. Moreover, it will not be easy to replace Beirut by other ports on the Eastern Mediterranean coast which already have to handle more cargo than the amount which they can process. Despite this, some shipping companies *continue to operate and advertise* direct sailings to Beirut.

This situation also applies to *Beirut airport. Here again dis-*tribution by air from Beirut has been gradually suffering severe *cuts, and does not appear to* function now. Yet some air operators appear to continue these services as far as possible instead of moving to other airports, if only for the time being.

These considerations adversely affect our trade with most profitable markets. They force us to choose alternative routes, despite the feeling that we have for the Lebanese.

Julius Lada-Grodzicki,
Director, Davies Turner and Co.
Spedition House,
326, Queenstown Road, S.W.8.

Thinking ahead

From Mr. I. G. Moore.

Sir,—I note from the back page of your issue of December 23 that the Post Office may raise charges as a result of the low Christmas mail. From the Post Office's past record this is just what one has come to expect. Its attitude to Christmas mail shows a complete lack of understanding of the situation and the policy of continually raising prices is not only unimaginative but also self-defeating.

A *constructive approach* to this problem might enable people to send Christmas cards *as before, without being faced* with astronomical bills. Such an approach might be on the following lines. The cost of Christmas mail should be based on marginal costing of letter deliveries, which must surely be much less than the $6\frac{1}{2}$p at present charged for a second-class letter. The service would be accompanied by a number of conditions which would not be burdensome to the user, but would be of considerable help to the Post Office, and would be confined to unsealed cards or postcards with a greeting of not more than ten words. Any which are found on spot-check examination to exceed this would be subject to a surcharge to normal rates or would be liable to be destroyed.

All cheap-rate mail would have to be handed in at Post Offices not later than *(say)* December 1: delivery would then be made at the Post Office's con*venience but not normally be-*fore December 10. This interval would make it unattractive to *use cheap mail as a substitute* for normal letters. Handing in of the letters would obviate the *need for sorting contents of mail* boxes. Fourteen days' delivery would be available which should allow a reasonable spread of the cheap-rate letters without excessive peaks.

The dates suggested are obviously open to adjustment. The main point is a cheap rate for letters posted early which can be delivered by normal means. The Post Office already applies this principle for bulk trade posting.

I. G. Moore.
Raycroft,
Lacock,
Nr. Chippenham,
Wiltshire.

Roads

From The Secretary,
Movement for London.

Sir,—It really is time Mr. G. J. A. Stern learned to curb his imagination from some of the wilder flights of fancy. I appreciate we are in the season of make-believe but his letter of December 29 appears to have *lost all touch with the real facts* of economic life.

Current Government expendi*ture on road projects is not* £1.5bn. per year, but rather more like £1.1bn. Far from adding a *further £1bn. to that figure for* accidents, the last official Road Track Costs Report gave a figure of just £18m. over and above those met by users through vehicle insurance payments. It scarcely needs repeating that meanwhile the road user through his or her various taxes contributes over £8bn. to the Exchequer, or one-eighth of the nation's entire tax revenue, enough surplus at present to pay for all nursery education throughout the country.

At no stage in his rather emotive anti-road user polemic does Mr. Stern mention how much industry is dependent on both the lorry and the private car to get its business done. For instance, in London alone, well *over 90 per cent. of our goods* are moved by road—and the amount that can be transferred *to other means, be they rail,* water or balloon, is very limited, as even the GLC (scarcely the road users' greatest friend) has to admit. It would be just a trifle foolish in a very competitive world to restrict surface mobility to bicycles, buses and slow-moving invalid cars, however desirable in themselves.

Despite all Mr. Stern may like to believe, nobody is getting at the railways through spite. It is simply that it is singularly addled economics to be ploughing some £450m. each year into subsidising a method of transport which takes just 10 per cent. of freight and 8 per cent. of passenger movement, without attempting to correct the deficit.

Andrew Warren,
26, Manchester Square, W.1.

Allowances

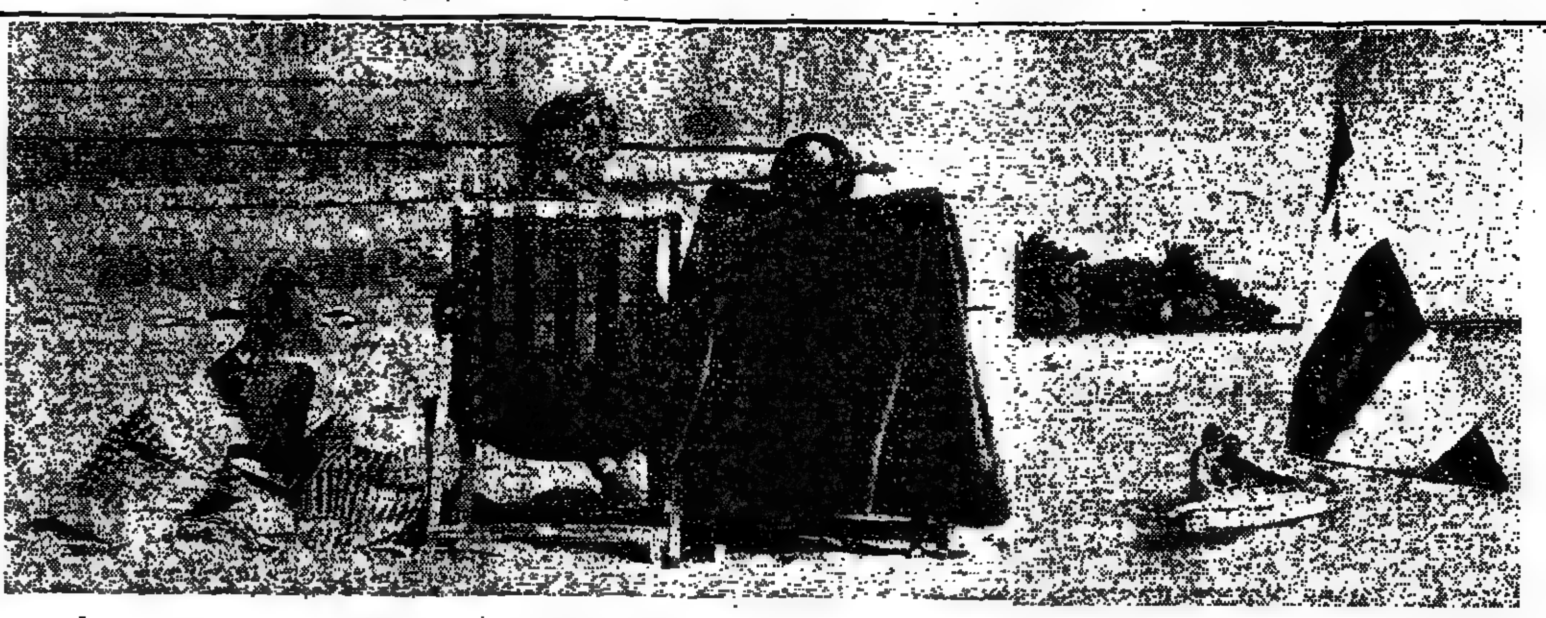
From Mr. L. Taylor.

Sir,—The Chancellor of the Exchequer has stated that under present conditions he is unable to exempt from taxation the State Pension (Social Security Benefit) received by many retired folk who are especially hit by inflation as well he must be aware of.

I suggest a start should be made on a graduated basis as follows. From age 65 to 70 only half the pension be taxable and from age 70 the full pension be exempt. After all, the male expectation of life is then only five years according to insurance companies statistics. This would be simple for the Inland Revenue to operate—better than complicated allowances schemes.

L. Taylor.
11, St. Margaret's Drive,
East Twickenham, Middlesex.

Shortage of money and political tensions are both expected to influence 1976 holiday patterns. The travel industry is launching itself into the new holiday year expecting changes in travel habits—but it is uncertain what these changes will be. **Arthur Sandles** reports



TRAVEL'S TOP TEN

Destination	£m. spent
Spain	154.5
France	73.8
Irish Rep.	66.2
Italy	52.3
U.S.	34.4
W. Germany	33.0
Netherlands	19.5
Austria	19.0
Greece	18.7
Belgium/Lux.	16.7

The figures are for the year 1974. The Irish figure includes a high ethnic element. If numbers of visits are counted rather than cash spent, the table changes somewhat. The U.S. would be much lower in the table and Belgium somewhat higher. The top three, however, remain unchanged.

Source: Dept. of Industry

Flying out on a wing and a prayer

TRADITIONALLY this is the time of year when the travel supplements really start to appear in force. Although each of the past five or six years has seen the main holiday booking period move a little closer to departure dates, the big promotional effort remains concentrated in the post-Christmas period. The British, it seems, always need something to look forward to and, after the mid-winter festivities, the next big thing for most is the summer holidays.

This year, however, the travel industry has been placing its advertisements with not a little nail-biting. The market performed in such an odd way in 1975 (odd in the sense that it was not widely-predicted) that everyone has been thrown off-balance. Are the British going to travel at all in 1976? If so, where will they head? Will Spain remain quiet? What will happen to the pound? Unfortunately the next nerve-racking episode will not see our heroes break free with one leap. The travel industry knows that it is in for a difficult time.

Revolutions

Of course, a business which has seen such spectacular events as the collapse of Court Line, wars in the Middle East, revolutions in Greece and Portugal, and outbursts of cholera in recent years is used to difficult times. And in 1976 at least most of the package-tour companies, although perhaps not the airlines and travel agents, are plump with the unexpected profits of 1975. There was an almost universal belief that 1975 would see a substantial slump in demand. As a result, programmes were cut back heavily and, when some passengers turned up after all, the tour flights were full as never before. Full aircraft mean fat profits, and so many a company has said farewell to last year wearing a grin like a cat that has just had the cream.

It would be a mistake, however, to believe that 1975 was a bumper year in terms of total carryings. The flights were only full because there were far fewer of them — which is why the airlines, with equipment standing idle, did not share the profit surge. The downturn in British travel abroad, which began in 1974, carried over into last year. It was simply that the drift downwards did not become the complete collapse that had been anticipated in some quarters.

Accurate figures for 1975 are not yet prepared, but there is good reason to think that there was a 5-10 per cent. shortfall on 1974 levels.

This week has seen a detailed look at travel's performance in 1974 produced by the DTI. It shows that the total number of visits abroad by Britons in that year was down by 9.1 per cent. on the previous 12 months to 10.47m. Spending was marginally up, to £682.9m., thanks to inflation and the rapid fall in the value of the pound.

These figures include business travel as well as holiday trips. But a look at the main holiday destinations gives some clue why Court Line collapsed at the time it did. Traffic to Spain dropped substantially—from a 1973 peak of 2.8m. Britons to a shade over 2.2m.—and Spain was the bread and butter of Court Line's holiday market. British visits to Italy were down by 19.4 per cent.

The decline was visible all round, with only the Benelux countries and Denmark able to make ground while all others among the holiday haunts were in retreat. Traffic to the U.S. and to Canada, much more family and business related, were also up.

This trend continued into 1975 with some variations. Almost certainly Spain recouped some of its losses, while Portugal suffered very badly.

The prospect of Spain frightening off the tourists in 1976 is the one that bothers the travel industry most of all. Spain alone probably has more than half the package-tour type beds of the Mediterranean basin, and there is simply no way in which passengers could be diverted if these beds were withdrawn from the market, or if the consumers refused to occupy them. It would not need a revolution in Spain to produce such an eventuality. A few awkwardly timed disturbances in holiday areas would be enough. Portugal, whose troubles were mainly in the north but whose tourist industry is centred in the south, showed yet again what a nervous group tourists are.

Spending

Unfortunately it is not only the thought of troubles abroad which keeps the tour men worrying. The key to many a corporate planner's views at the moment is the assessment made of British consumer spending over the next six months. Although Mr. Wilf Jones, chief executive of Cosmos Tours, ran into some argument when he talked of the revolution in travel, there is evidence to support him. There is little doubt that in 1975 the blue-collar sector maintained its financial position rather better than the white-collar and it appears that some of the travel slack was taken up by these "new" travellers. Mr. Gerry Draper, the British Airways travel division head, has now added his weight to the worker revolution argument although Thomson, the biggest of the big three, has tended to dismiss the theory as a myth.

To some extent the industry needs to clutch at the blue-collar straw because its traditional hunting grounds are patently under pressure. The most obvious indication of this is the rapid decline over the past two years in the second holiday market, a business which grew with late 1960s affluence. Winter sunshine, winter sports and winter cruising have all suffered badly for the last two years. Pickfords, one of the biggest retail/package tour groups, did not even bother producing a winter brochure this year "because we saw the writing on the wall."

Whatever writing Pickfords saw has been subsequently read by others. Operator after operator says that the winter has been miserable as hard-pressed customers have cut out luxury expenditure.

Most argue, however, that the main annual holiday is no longer regarded as a luxury by the average British family. Almost two-thirds of the population has a holiday of some sort away from their own doorsteps each year, even if it is only a modest few days stay with relations. It takes a great deal to break a family of the holiday habit, although some might argue that Mr. Denis Healey is trying his hardest. Against those who insist that holidays are a luxury the travel men simply point to statistics which show quite clearly that other major purchases—new cars, television sets and hi-fi, for example—which might be regarded as competitive "luxuries"—have suffered much more than holidays.

It cannot even be argued with much force that this is because holidays have not risen in price like the rival offerings. A peak season, two week holiday with "blue collar" Cosmos on the Costa Blanca will cost a basic £100-plus and holiday prices have risen by 15-20 per cent. in each of the past two years. Surcharges, too, have added considerably to the burden as tour operators and airlines sought to recoup possible losses as a result of changes in the exchange rate, and the increasing price of aviation fuel. There were signs of consumer resistance but perhaps more significantly, very strong indications that customers wanted reassurance. Those companies which offered guarantees of some sort in 1975, notably Thomson, British Airways, profited as a result and have now provoked a deluge of competing offers from their rivals.

To any other businessman the idea of freezing prices for one year ahead in present circumstances would seem unthinkable. But this is precisely what American Express has done, along with Olympic and Castle. British Airways and Swans are among those guaranteeing prices to early bookers, and companies such as Thomson have complex guarantees which include provision for cancellation if prices rise by more than 10 per cent.

It is suggested that the potential risks of such guarantees are too great, although obviously the companies involved strongly deny this.

What the travel industry will have to grapple with if the pound were to fall is the prospect of more than 2m. people asking for their guarantees to be honoured. This would be no minor incident. If, to take this unlikely case, sterling by mid-summer has fallen by 10 per cent. against the peseta it would mean some £2.50 per average tour would have to be found—and £2.50 is a great deal more per head than the profit most tour companies expect.

Wider base

Assuming that not too many people will be put off by the problems, where will everyone head for this year? There is little doubt that the tour operators will do their best to steer people away from Spain, not to protect themselves against difficulties this year but in order to build a wider base for the future. Attempts to do this on a grand scale in the past have met with little success—Tunisia had a chance to snatch much of the audience but let it slip. However, the operators will be even keener this season to push travellers towards Greece, Italy and even Turkey.

Without pushing many holidaymakers will turn to their own vehicles and take motoring holidays. The buoyancy of motoring travel in spite of rising fuel prices has been one of the surprises of the past couple of years and the healthiness of the traffic not only out of Britain but also into the U.K. has encouraged more vessels on to the sea routes around our coastline. This is partly tied up with the general trend towards self-catering, with camping, villa and holiday camp trips taking a larger share of the market than in the past.

Both these movements should help France, Belgium, Holland and, naturally enough, the domestic market. However, this does not mean that Britain's seaside boarding houses and hotels will be full. Having tasted the delights of Majorca, the Briton does not eagerly return to his old domestic resort haunts, preferring, it appears, to stay with friends, to rent accommodation, to use holiday camps or just to make day trips.

At the more glittering end of the scale the British are showing a renewed interest in the Caribbean and the Far East. This year's "in" places are Guadaloupe, Martinique and virtually anywhere in the South Pacific. It can cost you more than £500 for a couple of weeks, and the travel agent would collect 11 per cent. for making the booking. So try to make the reservation early—he needs the money.

LABOUR NEWS

Drivers threaten Ford production

BY ROY ROGERS, LABOUR CORRESPONDENT

FORD MOTOR production at Halewood, Merseyside, and possibly at other U.K. plants, is threatened by a pay dispute involving delivery drivers employed by Silcock and Colling.

The 250 drivers at the company's Speke, Liverpool depots are to meet on Monday to decide whether to proceed with a threatened strike in protest at a pay offer which they maintain is worth only £3 a week. Productivity "strings" attached to a further £3 a week offer have been rejected as "totally unacceptable."

The Liverpool drivers are seeking the full £6 a week allowable under the Government's pay policy, as are their colleagues at other Silcock and Colling depots in Dagenham, Coventry, Langley, Southampton, Dover and Newport. Militancy shown by the Liverpool drivers may well be linked to recent redundancies announced at the nearby Warrington depot where 20 men are to lose their jobs following the loss of a contract with Fiat.

Action by the Merseyside drivers could halt Ford production at Halewood after about a week. Production of British Leyland's Triumph TR7 "Bullet" sports car could also be hit.

Backdated

Meanwhile, some 20,000 British Leyland workers in the Midlands have won the full £6 a week increases which will be paid as a day rate allowance backdated to October.

For the 17,000 manual workers at the Austin Morris plant in Birmingham the £6 comes on top of a main production rate of £55.80 a week. At the nearby Drews Lane transmissions plant the increase is in addition to a rate of £56 a week.

The 16,000 or so Leyland workers at Cowley, Oxford, are also in line for pay increases from next month. The full £6 has already been claimed by the Transport and General Workers Union for its members who make up the bulk of workers at the body plant. A similar demand is expected to be tabled by the assembly plant workers but negotiations could be complicated by sectional regrading demands by several groups of workers.

Stricter car curbs urged to save bus services

BY OUR LABOUR STAFF

FURTHER RESTRICTIONS on private motoring in cities and more subsidy for public transport are needed to rescue bus services all over the country from "severe financial difficulty," according to the Transport and General Workers Union.

The TGWU yesterday published details of the case it has put to the Government for reversing a decision to cut the passenger transport subsidy.

Like the three rail unions, the TGWU hopes to influence the outcome of a transport policy review being prepared by the Government and expected to emerge in February after further talks with all the unions involved.

Cuts in bus services will be resisted until the review is complete, the TGWU said.

A conflict between road and rail unions was highlighted yesterday by the TGWU suggestion that 2 per cent. of the money allocated for the railways if redirected to bus services over five years "would be the greatest cost benefit in public transport that the Government could make at this time."

Railway unions are already protesting that the Government's planned limits on spending on railways up to 1981 could lead to a cut of nearly two-thirds in the 11,000-mile network.

Explaining the TGWU's case yesterday, Mr. Larry Smith, national secretary for passenger transport, said closure of services would be followed by mini-cab owners and private bus drivers taking over the most lucrative routes from the State-owned National Bus Company, would leave many rural areas isolated, and put many bus drivers on the dole.

He criticised 20 named local authorities for failing to provide adequate direct subsidies or to apply for government grants.

He suggested that all city-centre parking be abolished, meters removed and all main roads put under yellow lines.

Site's six-month dispute ends

BY OUR MERSEYSIDE CORRESPONDENT

NINE ELECTRICIANS who have not worked for six months on the site of the Inland Revenue office block in Bootle, Merseyside, yesterday accepted an agreement which will give them parity with other craftsmen employed by McAlpine's.

The men will return to normal working on Monday and for the first time in four years there is a prospect of lasting industrial peace on the site.

A procedural plan has been drawn up to enable regional officers of the Electrical and Plumbing Trades Union to have access to the company's managing director for discussions over any future problems.

Jackson calls for independent inquiry into Lifeguard

BY STEWART FLEMING

MR. DAVID JACKSON, who formed a Policyholders Protection Committee to help customers of the failed Nation Life Insurance, has intervened in the affairs of Lifeguard Assurance, the Lloyd's broker-backed company which has been forced to stop taking new business.

In an open letter to Sir Anthony Grover, a former chairman of Lloyd's and chairman of Lifeguard, Mr. Jackson says that in recent weeks Lifeguard policyholders have written to him asking for help.

Mr. Jackson in his letter, appeals to Sir Anthony to circulate all policyholders of Lifeguard immediately to advise them of the situation of the company.

He asks for an independent inquiry to be started to discover how Lifeguard finds itself in its present position, and to recommend on future changes.

He urges a further circulation to policyholders to follow publication of the independent report, to advise policyholders of its findings and to include a clear statement as to changes which will follow.

Mr. Jackson then says he has also written to the chairman of Lloyd's with a request that he should consider a ban against the control and ownership of insurance companies by Lloyd's insurance broking companies, because "I believe it produces an unanswerable conflict of interests."

He concludes his letter by stating that he believes policyholders should be legally entitled to certain information, and states he would like to see a "policyholders' charter" which would include a circulation requirement in the event of a situation occurring such as is now the case with Lifeguard.

"If you are concerned about the cost to the company of circulation, then I believe the shareholders of Lifeguard should consider bearing this cost themselves."

Town councils add pressure to Spanish amnesty call

BY ROGER MATTHEWS

MADRID, Jan. 2.

THE MOUNTING clamour for a full political amnesty in Spain—seen by all left wing parties as the essential first step towards a more democratic society—has now been joined by several town councils. Although supporters of the late General Franco naturally dominate all such official organisations this has not prevented councillors in such major towns as San Sebastian and Pamplona voting in favour of a full amnesty.

Together with other towns they have sent telegrams to King Juan Carlos asking him to extend the partial pardon that was conceeded shortly after his swearing-in as head of state. According to Justice Minister Sr. Antonio Garrigues, the Government is taking note of all these requests, but has yet to study the matter formally in cabinet.

Sr. Garrigues yesterday echoed the extremely cautious line that has been adopted by the new Government. He said that certain aspects of relevant laws needed to be studied fully, especially the various articles of the penal code, and that Ministers would not be pressured by individual action groups.

Demonstrations in favour of an amnesty have continued over the new year holiday with police under instructions not to intervene unless a breakdown in law and order seems imminent. Surprised demonstrators have on several occasions spontaneously applauded the "restraint" of the police.

However the Government has yet to expound its political programme, a task that the Prime Minister Sr. Carlos Arias is expected to undertake before the end of this month. Since the swearing-in of the cabinet, Sr. Arias has adopted an extremely low profile, while the King has left Madrid for a ski-ing holiday.

This has left, as expected, Sr. Fraga Iribarne, the Interior Minister Sr. Jose-Maria de Areilza, the Foreign Minister, and Sr. Garrigues to make all the political running, thus reinforcing the impression that these are the three men who will effectively dominate the Government in the coming months.

Three in line for chairmanship of Stock Exchange

BY MARGARET REID

IT NOW seems certain that only three candidates will be in the field in next Tuesday's election for a new Stock Exchange chairman to succeed Mr. Michael Marriott, who died last month.

All three were in the running during the vote by the Exchange's Council last March—the first in its history—which selected Mr. Marriott. They are Mr. David LeRoy-Lewis and Mr. James Dundas Hamilton, both deputy chairmen, who are aged 57 and 56 respectively, and Mr. Nicholas Goodison, who is 41.

In last year's vote Mr. Goodison was the runner-up to Mr. Marriott.

Mr. LeRoy-Lewis, who is chairman-designate of Akroyd and Smithers, the large stockjobbing concern, would, if elected, be the first jobber for many years to hold the post. The last to be chairman was Sir Henry Urling Clark, who died last year and who had been chairman before Sir John Braithwaite in the early 1950s.

In the past jobbers were not favoured as chairmen because their working day was spent on the floor of the House, but this argument now has far less force since senior jobbers like Mr. LeRoy-Lewis are essentially administrators, operating from their own offices.

The chairman is chosen by the Council, composed of 44 members, who are expected to make their selection next Tuesday morning. It is anticipated that a vote will be taken, if necessary running to two ballots to produce a candidate with an overall majority, who would then be unanimously elected by the Council.

Mr. LeRoy-Lewis has been a member of the Council since 1961 and Mr. Hamilton, a broker in the firm of Fielding Newson-Smith, has been a Council member since 1972.

Mr. Goodison, senior partner in the broking firm of Quilter Hilton Goodison, joined the Council in 1968 and is chairman of its membership committee.

COMPANY NEWS + COMMENT

Caplan Profile down £155,000 on year

SECOND HALF profits of Caplan Profile Group fell from £282,405 to £170,497, leaving the total for the year ended August 31, 1975, down £155,124 at £463,305.

Stated earnings dropped from 9.585p to 6.826p per 10p share. The final dividend is 2.79p to make 4.29p, against 4.02p.

The group manufactures office furniture and expanded polystyrene. Turnover contracted by £233,000 to £2.72m. After tax £258,514 (£331,478), net profit came out at £204,791, compared with £286,931.

● comment

Although down by a quarter pre-tax—second half profits fell by 40 per cent.—Caplan Profile's 1974-75 results still compare favourably with those of some of its competitors and the shares moved 3p higher yesterday to 48p. The plastics division where demand has remained buoyant has increased its contribution from 25 per cent. to roughly a third, and sales of office furniture, though still running at a fairly low level are showing signs of picking up now that customer destocking appears to have run out of steam. On current trading conditions the group is highly geared, particularly following the recent opening of a new factory and the acquisition (six months ago) of Chair Design Associates; together these pushed up borrowings to over half of capital employed. However, the chances of some recovery in 1975-76 seem sound and the shares, yielding 14.3 per cent., may derive some support from the high return on assets achieved in recent years.

HIGHLIGHTS

While the stock market has finished the week on a buoyant note there has been little to cheer about in the past week's list of company news. The only result of interest yesterday was the prelims from Caplan where profits were about 25 per cent. down after a second-half shortfall of 40 per cent.; the shares, however, moved a few pence higher. Only a handful of big names are due next week but the week-end postbag promises to be a bit more exciting.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Assam Con. Tea	Nil(a)	—	1.34	Nil	1.34
Caplan Profile	2.79	—	2.25	4.29	4.02
Midland-Yorkshire ...int.	5.36	—	5.8	—	26.8

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) 16 months to April 30, 1975.

Recovery prospect at W. J. Pyke

Trading figures for the first five months at butchers, W. J. Pyke (Holdings) indicate a recovery in turnover and profitability for the current year and the directors are confident that the year will be "highly satisfactory," according to Mr. W. J. Pyke, chairman.

In view of this they feel justified in paying the 1974-75 net dividend of 0.9384p (0.87934p) per 10p share out of accumulated profit of past years.

With regard to the temporary close company situation, the directors are *actively* engaged in solving this matter, the chairman says.

The company became "close" as a result of the purchase of shares by Cyril Hurvitz (U.K.), which, on December 1, 1975, held 21.84 per cent. of the equity.

As known, the company incurred a pre-tax loss of £1,058 in the 12 months ended June 30, 1975, compared with a profit of £87,107 the previous year. Mr. Pyke explains that, due to the general economic climate, the hotel and restaurant trade suffered a "drastic" decline in turnover which directly affected sales, particularly in the second half.

Since June 30, there has been a loss arising from the collapse of the London Eating Houses Group, where a bad debt of about £50,000 may have to be written off in the current year, he discloses.

Meeting, 16, Berkeley Street, W., January 23, noon.

Midland-Yorkshire setback

FOR THE six months ended September 30, 1975, profits of chemical manufacturers Midland-Yorkshire Holdings were halved to £640,000. The directors had budgeted for higher profits in the current year.

"Vigorous" steps are being taken to restore profitability, including the appointment to the subsidiaries Boards of Senior executives of Croda International, which acquired M-Y last July.

The interim dividend is 5.36p (5.8p) net per £1 share. In the year ended March 31, 1975 the company was permitted to pay a final of 21p in defence of the take-over bid. Profits for that year reached £2.8m.

	1975 £000	1974 £000
Sales	9,906	9,892
Profit	491	870
Interest paid	101	84
Joint ventures credit	270	[illegible]
Profit before tax	640	1,218
Taxation	313	600
Net profit	327	618
Extraord. credits	52	227

The current accounting period is to December 28, 1975.

Glenmurray faith in equities

As there are signs that 1976 will see a definite improvement in the economies of many countries, including the U.S., the policy of Glenmurray Investment Trust is to remain virtually fully *invested in equities*, with "a preponderance of our investments in overseas countries," says the chairman, Mr. J. A. Lumsden.

At October 31, equities represented over 89 per cent. of net assets. The U.K. proportion of 30.0 per cent. has almost doubled mainly on account of the relatively greater increase in the U.K. stock market and to a lesser extent due to some additional purchases.

The Japanese percentage is down from 23 to 12.83 and mainly reflects the smaller increase in that market as well as some reduction in the Hope Street Fund holding. The U.S. holding was 43.84 (42.44) per cent.

Mr. Lumsden explains that early in 1975 the defensive investment policy was reversed, and substantial sums were re-committed to equities from short term deposits.

On the basis of present revenue estimates, and having regard to the available revenue reserves, the directors expect to at least hold the dividend at 1.35p for the current year, even if large conversions of "B" shares take place in April.

As reported on December 5, net revenue for 1974-75 was £77,888 (£72,634), after tax.

Meeting, 8, Crosby Square, E.C., February 4 at 3.50 p.m.

Difficult year expected by Chemring

The current year must be expected to be "harsh and difficult" for Chemring (radar reflective products and electric cable accessories) with some reduction in profit, warns chairman Sir Ronald Fairfield, in his annual statement.

As reported sales rose from £1.47m. to £1.52m. in the year to September 30, 1975, including £0.8m. (£0.71m.) in the U.K. and £0.53m. (£0.7m.) in Europe. Pre-tax profits were £271,479 against £239,484 and the dividend total is 1.05575p (0.9593p) net per 5p share.

Relatively high capital expenditure of £75,000 (£56,000) is planned for 1975-76, to strengthen further the international competitive position and the directors expect to end the year with a positive cash flow.

Cash generated in 1974-75 amounted to £115,711 (£38,295) so that at the year end there were liquid funds of £430,633 (£314,922) in short term deposits and cash surplus to immediate operating requirements.

Total funds employed at the year end were £734,271 (£624,036) and the net asset value per share was 33.6p compared with 28.1p.

Meeting, Portsmouth, on January 30 at noon.

Optimism at Clyde Petroleum

While emphasising that Clyde Petroleum was a high risk investment, Mr. W. Gibson Biggart, chairman, told shareholders at the third annual meeting that, if negotiations went through as the directors confidently expected, he was optimistic enough to hope that by their next annual meeting he would be reporting a major oil find.

Mr. Biggart said the North Sea exploration programme was of "great significance" but he felt it inappropriate to make further comment on the £6.75m. bid for Anglo Ecuadorian Oilfields, in which Burmah Oil had a 51 per cent. stake. Clyde was also negotiating with Phipps Oil to acquire its subsidiary Dr. Colin Phipps and Partners, which would increase the North Sea stake from 10 to 15 per cent.

When a shareholder asked about the cash position to cover the new acquisitions, it was pointed out that new shares would be issued for Anglo Ecuadorian and, while the directors did not know how many would be taking up the cash offer, they had assurances from institutional investors and others representing more than 60 per cent. of Clyde's share capital, that they were in favour of the offer.

Finances were available to continue exploratory work in the North Sea, and there had been a substantial placing of Clyde shares conditional on the Anglo Ecuadorian bid going through.

London Intercont. profit

A TURNROUND from a loss of £312,204 to a profit of £7,669 is announced by London Intercontinental Trust for the year ended September 30, 1975. There is no tax charge, as before.

Profit includes £3,681 credit release of a previous provision made for losses on amounts due by Mitton, Butler Priest and Co.

There is again no dividend recommendation.

Assam Consolidated

Profit, before tax, of Assam Consolidated Tea Estates was £9,323 for the 16 months ended April 30, 1975, subject to tax of £34,344. In the previous year the deficit was £125,200 and tax £9,197.

For the extended period there is no dividend. The 1973 payment was 1.34p net per 25p share.

Turnover for the 16 months was £140,860, against £80,093 in 1973. Extraordinary debits amounted to £56,287 (160,581).

Sime Darby bonds scheme approved

The scheme for the exchange of all the $29.4m. 5¾ per cent. convertible guaranteed bonds 1988 of Sime Darby International Finance NV for shares in Sime Darby Holdings has been approved by a meeting of bondholders, and by an extraordinary meeting of Holdings.

The Stock Exchange in London has granted a listing for the shares of Holdings to be issued and the scheme, accordingly, has become effective.

Shareholders' funds will be increased approximately from M$358m. to M$427m. and gross borrowings reduced approximately from M$281m. to M$212m., based on the June 30, 1975, consolidated balance sheet of the Sime Darby group.

This broadening of the equity base will further improve the group's capacity to take advantage of profitable investment opportunities, and also increase both assets and earnings per share.

Kleinwort, Benson (Hong Kong) has been appointed as trustee of the bondholders to hold the new shares and any attributable dividends until the bonds are duly presented to the paying agents for exchange. This trust will be terminated in favour of Sime Darby on January 31, 2000.

Optimism at Crane Screw

"STRENUOUS" efforts are being made to improve the selling strength of Crane Screw (Holdings) states the chairman Mr. G. F. Cole. The culmination of restructuring should begin to show its true effect during the second half of the current year, he tells members.

In the light of this, and supported by the stronger financial base, the dividend for the year to July 31, 1975 is being maintained at 0.735p net. As known profits fell to £37,876 against £250,747 before tax of £34,000 (£137,769). Extraordinary debits took £33,731.

The directors felt in particular, having regard to the improved liquidity, that the dividend should be related to the post tax profit position and not the position after extraordinary items, says Mr. Cole.

Against "a particularly unfavourable" industrial background, the company has been fighting to maintain an order level that allowed an economic utilisation of the plant. Margins were depressed as a result, and a great deal of attention had to be given to reducing overheads and to conserving liquid resources.

It was considered practical to move Midland Screw into part of the main Floodgate Street factory, and this was followed, as known, by disposal of the goodwill and certain assets of the Castor and Pressings operation. The chairman points out that the estimated cash injection into the group of £266,000, over two years, exceeds the present market capitalisation.

Principal activities are the manufacture and distribution of cold forgings (turnover £2,632,325, pre-tax profit £55,028) and a variety of plastic products (turnover £1,303,427, profit £32,848).

ICFC hold 22.82 per cent. of the capital and has an option to purchase further Ordinary shares.

Meeting, Birmingham, on January 26 at 12.15 p.m.

Sidroy Board changes

Sidroy, ladies' and children's clothing manufacturers, which is a subsidiary of U.U. Textiles, has undergone a Board reconstruction following a meeting held on December 5.

Mr. K. Buckley and Mr. J. A. Massey have both resigned. The new Board will consist of Mr. D. M. Saunders as chairman, Mr. J. L. Turner as deputy chairman, and Messrs. L. F. Felton, J. S. Dunns, H. H. Cox and P. E. Turner as directors.

The annual meeting, which was to have been held on December 29, has been postponed until January 14 as the accounts of Sidroy have not been approved by the Board.

The parent company underwent some extensive Board changes over the course of 1975.

DUTTON-FORSHAW

Dutton-Forshaw Group announces that, in agreement with the trustees, The Law Debenture Corporation, the rate of interest payable on the Variable Rate Loan Stock for the period of six months ending June 30, 1976, will be 12¼ per cent.

J. H. VAVASSEUR

J. H. Vavasseur Group announces that the dividends due December 31, 1975, on the 7.7 per cent. Redeemable Cumulative Preference shares, and the 33.5 per cent. Redeemable Cumulative First Preference shares 1981, will not be paid.

Accounts for the year ended June 30, 1975, will be issued on January 12. Meeting, February 6.

HUNTING (EDEN)

The directors of Hunting (Eden) Tankers propose the early repayment of the outstanding 6½ per cent. debenture stock 1979 at £102 per cent., together with accrued interest.

Results due next week

The seasonal lull in company news continues into the first full week of the New Year with only a handful of well-known companies set to declare figures. These are Allied Breweries, Wilkinson Match, Allied Retailers and Morgan Crucible.

Following on from an interim pre-tax profits setback of 7½ per cent. from Allied Breweries, the directors indicated that full-year profits would be similar to the previous year's £59m. A long summer has meant better beer volume sales than could have been anticipated in the interim report, but even so full-year profits are unlikely to climb above £64m., and could be less. There is the possibility of write-offs on wine stocks as Allied has a hefty involvement in British wines, and industry figures show that British wine volume fell 16 per cent. in *the first nine months of 1975* against a fractional rise from imported wines. Nevertheless, *the profit for the year is unlikely* to be below £61m. when the company reports on Thursday.

First half profits from Wilkinson Match are expected to show a modest improvement over last year's £4½m., though market expectations for the full year are for around £9½m. to £10m. against £7¾m. There is plenty of recovery scope this year with the absence of some £½m. losses from the chipboard and lumber interests which have since been sold-off. Also the match side, where operating profits slid £1m. lower to £5.3m. last year, should pick up with the benefit of lower raw material costs and price increases. Furthermore the large rise in borrowings in the first nine months of 1974-75 is expected to have reversed itself this year. Interim figures are due on Tuesday.

Allied Retailers moved on to the recovery path in the second half of 1974-75 when it notched up a profits advance of over a quarter after an interim setback of a similar percentage. This buoyancy will have continued through into this year, for despite perssures on consumer spending power Allied's aggressive retailing policy seems to have paid off. So interim profits, due on Monday, could be as much as doubled (including a large slice of recovery) against the £518,000 of the comparable period. With the outlook for the year in the region of £2½m. to £3m. (£1.9m.) a substantial increase in the dividend looks possible, though a full reinstatement of the 12p gross for 1972-73 looks unlikely this year.

Morgan Crucible's half-year figures in October revealed a slight acceleration in the downtrend with profits 15½ per cent. lower before tax after an 11 per cent. fall in the first three months. Carbon profits went into reverse in the second quarter and though the process difficulties which caused this have apparently been corrected the real benefits from this may not be seen until the year-end. The electronics side had achieved a measure of recovery from the first quarter losses but its contribution to profits was still well down on the level of the corresponding period. So, although Thermic profits are continuing to hold up well the third quarter figures on Thursday are still likely to be depressed.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allied Breweries	Thursday	0.93	2.077	1.015
Baker's Household Stores (Leeds)	Tuesday	0.294	0.353	0.325
Bertrams	Tuesday	0.5	1.25	0.73
Bett Brothers	Friday	1.064	1.532	1.135
Birmingham Pallet Group	Monday	1.5	2.249	1.5
Dewhurst and Partner	Tuesday	0.245	0.525	0.239
Flexello Castors and Wheels	Friday	[illegible]	1.317	0.87
Hawkins and Tipson	Thursday	0.7	1.913	0.7
Robert H. Lowe	Friday	0.875	[illegible]	0.875
McCorquodale and Co.	Wednesday	3.629	7.7	4.0
J. F. Nash Securities	Tuesday	1.75	2.2	1.75
Norfolk Capital Group	Wednesday	—	0.2	—
Speedwell Gear Case	Friday	—	0.419	—
Tobacco Securities Trust	Wednesday	2.625	8.313	2.625
UU Textiles	Wednesday	[illegible]	[illegible]	0.219
Winterbottom Trust	Tuesday	1.575	1.75	1.575
INTERIM DIVIDENDS				
AGB Research	Thursday	0.976	0.951†	
Ailsa Investment Trust	Wednesday	1.1	2.054	
Alliance Alders	Thursday	[illegible]	[illegible]	
Allied Retailers	Monday	[illegible]	[illegible]	
Amber Day Holdings	Wednesday	[illegible]	[illegible]	
Anson Holdings	Tuesday	[illegible]	[illegible]	
AVP Industries	Monday	[illegible]	[illegible]	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Brown and Tawse	Wednesday	0.505	1.517	
Butterfield-Harvey	Wednesday	0.75	[illegible]	
Clive Discount Holdings	Thursday	—	Nil	
Empress Services (Holdings)	Friday	0.28	0.17	
ERF (Holdings)	Thursday	1.672	0.9	
Halma	Thursday	0.58	0.304	
Hollas Group	Wednesday	0.838	2.6	
Milbury	Tuesday	Nil	1.92	
Provincial Cities Trust	Thursday	0.525	1.34	
Ratners (Jewellers)	Wednesday	0.558	0.869	
Stead and Simpson	Thursday	0.5	1.596	
Stock Conversion and Investment Trust	Wednesday	0.625	0.872	
Symonds Engineering	Thursday	0.263	0.731	
John Waddington	Friday	1.313	4.146	
Wilkinson Match	Tuesday	2.884	4.01	
INTERIM FIGURES ONLY				
Cray Electronics	Friday			
Hawley-Goodall Group	Monday			
Howden Group	Wednesday			
Morgan Crucible	Thursday§			
Somportex Holdings	Thursday			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Includes second interim. ‡ Interim 0.425p paid for current year. § Third quarter figures. ¶ Second interim.

UNIT TRUSTS

Abbey Property Bonds offer

The Abbey Life Assurance company is making an offer of Abbey *Property Bonds this week-end.* The minimum investment is £250 unless the bondholder needs to withdraw regular income from the fund, in which case the minimum is £1,000. One of the features of withdrawal plans under current legislation is that the investor can take 5 per cent. of his original investment as income without any immediate liability to tax. The fund now stands at £180m. and a quarter of its 500 or so tenants are Government bodies. Charges included an initial levy of 5 per cent. plus an annual fee of ½ per cent.

● comment

After a rough period in 1974, Abbey Life Assurance's Abbey Property Bonds rose by 30 per cent. in value during 1975 and the company emphasises that its size (the "largest in the land") gives it bargaining power when it comes to maintaining a balanced portfolio of the best properties. Of course, this did not seem to be much help in 1974 when—as is admitted with commendable frankness in the advertisement—the units fell by 40 per cent. But then Abbey is optimistic about the future for property, although it warns against expecting another 30 per cent. rise in the value of units.

Prospectus Page 8
See also Page 3

GARTMORE AMERICAN

Gartmore Fund Managers is advertising its new Gartmore American Fund this week-end with a minimum investment requirement of £200. The fund has a back-to-back loan agreement and is structured to have 75 per cent. of its investments in strong companies with large market capitalisations (which might benefit from a general rise in the U.S. market) and the remainder in special situations with growth potential. The estimated yield is 1.2 per cent. gross and the charges are on the 5 per cent. initial/¾ per cent. per annum basis.

● comment

The Gartmore American Fund has the advantage of starting with a clean slate in the American market and how it might perform really depends on the view one takes on the U.S. (read the comment on page 3). One point is that Gartmore has had plenty of exposure to the U.S. through its large investment trust interests.

Prospectus Page 3

BARCLAYS SHARE EXCHANGE

The Barclays Share Exchange Plan is being offered by Barclays Unicorn, comparing the advantages of holding individual shares or alternatively exchanging them for a unit trust holding. Barclays manages a range of 18 unit trusts worth over £280m. and the share exchange scheme enables the prospective unitholder to exchange his shares for units on better terms than would be the case if he went about it independently.

● comment

In its advertisement for the Barclays Share Exchange Plan, Barclays Unicorn sets out the comparable advantages of going it alone or taking the fund route when contemplating equity investment, coming to the conclusion that the main attraction of individual holdings is that they are "more exciting." Especially from the capital gains tax viewpoint, unit trusts are more realistically attractive to the small investor and, once having made the decision to switch to funds, he is well advised to use a share exchange plan.

Prospectus Page 1

CTT PLAN FROM LONDON LIFE

The London Life Association is advertising the Capital Safeguard Scheme this week-end. This is a traditional whole life policy specially written so that the ultimate policy money is free of tax and only the premiums paid are assessable for Capital Transfer Tax. By this means, investors can make maximum use of the annual £1,000 exemption and provide a relatively high tax-free sum on the death of the investor.

● comment

The Capital Transfer Tax rules have been designed so that it is virtually impossible to ultimately avoid paying the tax. The life assurance industry has concentrated on designing policies that will ensure that the ultimate money is free of tax and the CTT liability on the premiums can be offset against the annual exemptions. The Capital Safeguard Scheme from London Life can be used to meet the CTT liability on legacies or to provide a tax-free gift on the death of the investor.

Prospectus Page 4

TYNDALL INCOME

Tyndall Pensions has launched its Tyndall Maximum Income Bond with the aim of providing investors with guaranteed income over ten years. The return depends on the age and sex of the investor, varying for men from 8½ per cent. net of basic rate tax at age 55 to 9½ per cent. net at age 80. The bond guarantees a return of at least the original outlay on death before the end of the period, but there would be a tax liability even for basic rate taxpayers. The surrender value is linked to the yield on the underlying gilt-edged stock and on present figures the gross cash-in amount would rise from 92½ per cent. in the first year to 120 per cent. in the final year.

● comment

Tyndall Pensions does not involve itself in any grand design for its Tyndall Maximum Income Bond. It has used the format of the guaranteed income bond—a combination of temporary annuity to provide the income and deferred annuity with a guaranteed cash option for the return of capital. The split has been arranged so that the outlay is returned net of basic rate tax which was *imposed on deferred annuity cash* payments in the 1975 Finance Act. Interested investors should check both the yield (9½ per cent. can only be obtained if you are a male and at least 80) and the tax position and compare with the more sophisticated products already on the market.

Prospectus Page 17

CRESCENT INT.

Crescent Life Assurance is advertising its Crescent International Plan with a minimum monthly premium of £5 per month. This is a life policy based on the Crescent International Fund. The latter was formed in July, 1970, and its units have increased by 70 per cent. over this period compared with a rise in the FT Ordinary Index of only 6 per cent. Crescent is part of the Edinburgh-based American Trust, an investment group which manages funds of over £90m.

● comment

Like most Life plans which are based on unit trusts, the Crescent International Fund is really only as good as the underlying fund. The Crescent International Fund has had its ups-and-downs and was very keen on America for some time. Looking at a recent portfolio breakdown it now seems to be almost as enthusiastic about Japan (26 per cent. of the portfolio). But whatever the investment strategy this is still one of the few life policies which is specifically linked to an internationally-based fund.

Prospectus Page 15

ARBUTHNOT HIGH INCOME

Arbuthnot Securities is offering the Arbuthnot High Income Fund this week-end yielding an estimated 11.1 per cent. gross. The portfolio is heavily committed to high yielding equities (82 per cent.), with a much smaller proportion in fixed-interest preference shares and convertibles. The minimum investment is £200, accumulation units are available and there are both a share exchange scheme and a monthly savings scheme.

● comment

High yielding funds have been the success vehicles in the marketing of unit trusts last year. The Arbuthnot High Income Fund is still able to offer a double figured yield even though being heavily committed to equities and this will enhance the potential for future income growth. High income funds have also performed well on the capital growth front and this potential could continue if the bull market persists.

Prospectus Page 21

LAWSON HIGH

Lawson Securities is advertising the Lawson High Yield Fund this week-end, offering investors an estimated 12¼ per cent. gross yield. The portfolio is split 50-50 between fixed-interest preference and high yielding equities and investment trust income shares. The minimum investment is £100, accumulation units are available and there are both a share exchange scheme and a regular savings plan.

● comment

The Lawson High Yield Fund has always held a high proportion of fixed-interest preference shares in its portfolio and this has been increased recently with the managers putting most of the new money into industrial and water board preference stocks yielding 15-16 per cent. This blend gives a high starting income but tends to dilute the income growth prospects. The capital growth prospects are also constrained by this high proportion of preference shares and the fund is primarily for the investor seeking income paid on a regular basis.

Prospectus Page 25

ISSUE NEWS

Midland Bank statistics

Statistics compiled by the Midland Bank show that the total "new money" raised in the U.K. by the issue of marketable securities (excluding borrowing by the British Government) rose sharply in 1975 to £1,993m. from £534m. in the previous year.

The amount raised was a new record, being over 80 per cent. higher than the previous record year of 1972 when it totalled £1,096m.

In December the total amount raised was £108m. Of this £103m. was accounted for by 17 rights issues.

Company issues in 1975 accounted for nearly 80 per cent. of the total. Of this figure £1,406m. was raised in the form of 168 rights issues.

TRAFALGAR HOUSE

Subsequent to the approval by members of an increase in authorised capital to £35m. the directors of Trafalgar House Investments have provisionally allotted 30.06m. new Ordinary shares of 20p to Ordinary and Accumulating Ordinary holders for subscription at 85p per share on a 1-for-4 basis. Provisional allotment letters have been despatched and acceptances must be received by 2.00 p.m. on Thursday, January 23.

LAKE & ELLIOT

Following approval of the necessary capital increase by shareholders of Lake and Elliot, allotment letters in respect of the rights issue have been posted. Dealings in the new shares commence on Monday.

ANDRE BERNARD

The Hepmead offer for the capital of Andre Bernard Group has now been accepted in respect of 991,672 shares. As previously announced, Hepmead also holds binding agreements to acquire further substantial blocks of shares—it is now stated that difficulties have arisen in completing these agreements, which it is hoped to resolve shortly. Meantime, the offer is extended by a further 14 days until January 16.

BIDS AND DEALS

Highlight Sports disposal

Highlight Sports has agreed to sell the Alison Jane business to a *wholly-owned U.K. subsidiary of* the Venice Industries Group, whose holding company is based in Delaware, U.S.

Consideration will be £241,160, equivalent to the net book value as at December 15, 1975 of the assets being sold. This will be paid on January 5, 1976, although £24,000 will remain on deposit for release on completion of formalities.

In addition, Highlight will be entitled to collect and retain the trade debts of the business outstanding at December 15, 1975 and amounting to approximately £290,000 but will be responsible for the payment of trade and other creditors.

Aggregate profits before tax of Alison Jane and Alison Jane (Manufacturers) for the year ended May 10, 1975 amounted to £158,010.

Jardine–Gill–Czarnikow talks end

Jardine Matheson and Co. and Gill and Duffus Group announce that it has not been possible to reach final agreement with the shareholders of Czarnikow-Rionda Company Inc. for Jardine and Gill jointly to acquire a controlling interest in all future business of Czarnikow-Rionda and its subsidiaries.

The negotiations have therefore been terminated by mutual consent, it is stated.

BOLTON TEXTILE ALLOTMENT

Bolton Textile Mill has allotted 99,350 Ordinary shares to the vendors of Elida Sportswear as part of the further consideration due. Consideration so far paid amounts to £564,875—£443,625 cash and 314,932 shares.

Further cash could become payable after April 30, 1977 depending on profits of Elida for the two years ending on that date.

ASSOCIATES DEALS

J. Henry Schroder Wagg on December 30 bought 730 Ransome Hoffmann Pollard at 62½p for associates. On December 30 they bought 25,000 Alexander Howden at 135½p, and on December 31 bought 450 at 136½p, both on behalf of associates.

R. Layton has sold 30,000 Central and Sherwood Trust at 25p for associates.

SUREGAIN-DOWGATE

The Suregain Securities offers for Dowgate and General Investments have been accepted in respect of over 95 per cent. Ordinary and over 93 per cent. Preference shares. They remain open.

SHARE STAKES

Sale Tilney has been notified that the Singer and Friedlander group has sold its entire holding of 192,382 Ordinary shares (11.3 per cent.).

Lawson Gilt and Warrant Fund has increased its holding of Young Companies Investment Trust subscription warrants to 10 per cent. of the issue.

Hume Holdings — Rothschild Investment Trust has acquired a further 40,000 "A" Ordinary, increasing its aggregate holding to 5.54m. "A", and 184,136 "B" Ordinary shares (25.4 per cent. of the issued "A" and "B").

Trianco Group — Sheerwood Trust, a subsidiary of Central and Sheerwood, has bought a further 8,500 Ordinary making its holding 4.56m. shares (48.60 per cent.).

Interests of Slater Walker Securities and its subsidiaries, investment trusts, etc., in Estate House Investment Trust at December 11 totalled 3,948,0[illegible] shares (20.21 per cent.). This is not a disclosure under the Companies Act.

As a result of the recent rights issue, Renold has subscribed for its entitlement of 586,3[illegible] J. H. Fenner and Co. (Holdings) Ordinary. Total interest of Renold is now 2,540,830 shares (11.7 per cent.).

S. Pearson share transactions

Details of disposals of Pearson shares during certain periods of 1975 by the Cowdray Trust and Dickinson Trust, the two main trusts representing the Cowdray family interests, are contained in a letter to the Stock Exchange.

Between July 30, and December 15, 1975, the Cowdray Trust sold 1,185,531 shares, thus reducing the Trust's holding in S. Pearson to 6,915,809 shares. The Dickinson Trust sold 333,306 shares between September 25 and December 1, 1975, which dropped its holding to 8,225,929 shares.

In a further transaction on September 1, the Cowdray Trust sold 1,048,551 S. Pearson shares to Cowdray Trust and Dickinson Trust acting jointly. On the same day, the two trusts subsequently sold 213,585 shares which left their joint holding at 3,335,431 shares at that date.

The sales are not thought to be on behalf of Lord Cowdray, the chairman of S. Pearson. The main beneficiaries are believed to be mainly non-U.K. resident members of the Cowdray family.

HOLT LLOYDS

The offers by Holt Lloyds International have been declared unconditional. Acceptances have been received in respect of 7,633,187 Holts (85.86 per cent.) and 3,078,393 Lloyds (82.64 per cent.). The offers remain open until further notice.

BROCKS SALE

Brocks Group of Companies announces that the sale of International Time Recording Holdings to Redgate Securities has been completed in accordance with the contracts exchanged in November.

MALAKOFF RUBBER

The agreement for the reconstruction of Malakoff Rubber Estates has become unconditional following approval of the special resolution for winding-up the company. Listing has been granted for the new shares of Malakoff Berhad issued under the agreement, in which dealings in London have commenced.

WEBSTERS BUYS

Websters Publications has completed the acquisition of the issued capital of Matthews, Drew and Shelbourne.

NEW LIFE BUSINESS

Crusader's peak £680m.

In 1975, new annual premium income of Crusader Insurance exceeded £5.5m. (£4.08m.). After reassurances the corresponding amount was £4.7m. (£3.66m.). Total ordinary and group life sums assured exceeded £680m. (£525.78m.). After reassurances they were £520m. (£407.28m.).

Total annuities per annum, including prospective pensions for members of staff pension schemes, exceeded £6.4m. (£4.86m.) after reassurances. Single premiums and considerations for annuities, after reassurances, £2.6m. (£2.95m.).

AVON INSURANCE—Net new sums assured exceed £19.3m. (£16.6m.). Net new annual premiums over £580,000 (£460,000).

BEDFORD LIFE ASSURANCE (life and pension subsidiary of Zurich Insurance) — Sums assured £34.15m. (£22.91m.) secured by annual premiums of £380,238 (£285,896).

CANNON ASSURANCE—Doubled new gross annual premium writing £2.6m. (£1.3m.). Gross single-premium income was £3.3m. (£5.4m.). During the year total assets topped £100m. for the first time.

CO-OPERATIVE INSURANCE — New premium income £16.2m. (£13.9m.) and corresponding new sums assured £663m. (£543m.).

GRESHAM LIFE ASSURANCE—New annual premium income under U.K. life assurance and annuity policies £1.7m. net of reassurance (£1.3m.). Record achievement represents doubling of new premium income since 1973.

LONDON LIFE ASSOCIATION—New annual premiums £3.98m. (£3.12m.). New sums assured £98.71m. (£72.3m.). Permanent health insurance sums assured £1.96m. (£1.03m.). Immediate and deferred annuities £5.53m. (£5.6m.). Single premiums and considerations for annuities £1.95m. (£3.2m.). Figures are net, after reassurances, and exclude the London Life Managed Fund subsidiary, figures for which are: New annual premiums £447,900 (£483,860) and single premiums £377,000 (£445,000).

REFUGE ASSURANCE — Ordinary branch annual premiums £1.97m. (£1.38m.), single premiums £376,000 (£942,000), sums assured £81.5m. (£40.2m.), annuities £600,000 (£714,000). Industrial branch premiums £5.0m. (£4.16m.) and sums assured £80.9m. (£67m.).

SCOTTISH EQUITABLE LIFE ASSURANCE—New annual premiums £4.4m. (£5.5m.). New sums assured £164m. (£189m.). New annuities per annum £5.6m. (£16.3m.) and new single premiums £3.7m. (£3.4m.).

SCOTTISH MUTUAL ASSURANCE—New annual premium income written £3.4m. (£2.9m.) and single premiums and annuity considerations £1.8m. (£2.1m.). Corresponding net new life sums assured £121.5m. (£79.8m.) and new pensions and annuities £5.9m. per annum (£6.8m.).

TIME ASSURANCE SOCIETY—New business premiums £1.72m. (£561,000). Funds increased from £19.75m. to £25m.

UNITED KINGDOM PROVIDENT—New premium income £4.73m. (£3.06m.), securing sums assured £127.90m. (£79.35m.). Annual premiums £4.11m. (£2.44m.), including annual premium considerations for annuities £0.78m. (£0.68m.). Single premium considerations for annuities £0.65m. (£0.69m.). Total number of policies written 26,328 (14,132). UKP also announces that it is maintaining basis of calculating surrender values but, in line with the market in general, these will not be guaranteed for new policies.

BONUSES

COMMERCIAL UNION—Increased rates on with-profit policies in force on December 31, 1975. Life Series: For with-profit policies rate is 4.60 per cent. per annum compound and this will also be interim bonus for claims by death or maturity on and after January 1, 1976. At previous declaration at end 1972 the declared rate was 4.50 per cent. and the interim rate since then has been 4.25 per cent. Pension Series: For with-profit pension schemes the rate is 2.5 per cent. per annum calculated on the pension purchased and this is also the interim rate. Corresponding rates at last declaration were 2.1 per cent. per annum. For with-profit individual pensions assurance policies, declared rate is 3.0 per cent. per annum compound and this is also the interim rate. Corresponding rates at last declaration were 4.75 per cent.

INTERIM TEA RESULTS

ACHABAM TEA—Approximate crop season 1975 is 578,219 (593,115) kgs. Sales to November 30—all prices brought to ex-warehouse basis—299,688 kgs at Rs.11.16 per kg (273,683 at Rs.9.58). Subject to present price level being maintained the outcome of season's working should be satisfactory.

BARAGOORA TEA—Approximate crop season 1975 is 1,379,000 (2,081,270) kgs. Sales to November 30—all prices brought to ex-warehouse basis—769,000 kgs at Tks9.57 (762,378 at Tks6.93) per kg. Late start, caused by drought and lack of adequate supplies of manures and weedicides, adversely affected production. Deterioration in market levels recently occurred in Chittagong but provided there is not a substantial further reduction in price, the subsidiary may be expected to return a small profit.

BORHAT TEA—Approximate crop season 1975 is a record 812,017 (717,968) kgs. Sales to November 30—all prices brought to ex-warehouse basis—456,730 kgs at Rs.12.78 per kg (349,219 kgs at Rs.11.47). Provided present price level can be maintained a satisfactory profit [illegible]

Total aggregate crop of two of the estates appreciably below 1974 due partly to early season drought and partly to loss of leaf through hail damage. Provided present price level is maintained it is expected to return another satisfactory profit on year's operations.

Decided that financial year will be the calendar year and not run from Dec. to Nov. as in past. Annual accounts for 1975 will relate to a 13 months period.

DOLOI TEA—Approximate crop season 1975 is 291,000 (265,130) kgs. Sales to November 30—all prices brought to ex-warehouse basis—106,000 kgs at Tks.11.38 per kg (113,608 at Tks.6.44). Deterioration in market levels recently occurred in Chittagong, but provided there is not a substantial further reduction in price the subsidiary may be expected to return a profit on year's operations.

NOYAPARA TEA—Approximate crop season 1975 is 363,000 (424,606) kgs. Sales to November 30—all prices brought to ex-warehouse basis—199,566 kgs at Tks.10.63 (186,653 at Tks.6.58) per kg. Subsidiary's estate had a slow start due to drought early in the year. Deterioration in market levels recently occurred in Chittagong but provided there is no substantial further reduction in price the subsidiary may be expected to return a profit on year's operations.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisation of the sub-sections of the F.T.-Actuaries shares indices as at Dec. 31, 1975 expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters. These valuations are published quarterly and are made by Extel Communications (Exchange Telegraph Group) on an I.B.M. 370 computer.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Dec. 31, 1975 (£m.)	% of all share index	Market capitalisation as at Sept. 30, 1975 (£m.)	% of all share index	Market capitalisation as at June 30, 1975 (£m.)	% of all share index
CAPITAL GOODS GROUP (178)	5,539.8	14.82	4,700.7	13.84	4,105.1	13.78
Building Materials (29)	1,192.5	3.19	1,024.1	3.01	774.5	2.60
Contracting and Construction (23)	539.5	1.45	485.0	1.43	417.8	1.40
Electricals (16)	1,270.8	3.40	1,072.0	3.16	1,006.5	3.38
Engineering (Heavy) (13)	207.2	0.55	173.9	0.51	151.1	0.51
Engineering (General) (63)	1,797.9	4.81	1,518.4	4.47	1,358.5	4.50
Machine and Other Tools (9)	49.6	0.13	39.7	0.12	53.3	0.18
Miscellaneous (25)	482.5	1.29	387.6	1.14	361.0	1.21
CONSUMER GOODS (DURABLES) GROUP (56)	1,354.0	3.62	1,114.7	3.28	945.4	3.18
Lt. Electronics, Radio and TV (15)	727.0	1.94	626.7	1.84	481.5	1.62
Household Goods (14)	186.8	0.50	171.6	0.51	141.8	0.48
Motors and Distributors (27)	441.2	1.18	316.4	0.93	322.1	1.08
CONSUMER GOODS (NON-DURABLES) GROUP (168)	10,914.8	29.18	9,959.0	29.32	8,661.2	29.10
Breweries (15)	1,132.1	3.01	1,126.5	3.32	979.7	3.29
Wines and Spirits (7)	580.7	1.55	534.2	1.57	530.9	1.78
Entertainment and Catering (18)	777.3	2.08	622.2	1.83	518.1	1.74
Food Manufacturing (22)	1,965.8	5.26	1,804.5	5.31	1,654.7	5.30
Food Retailing (18)	761.7	2.04	751.0	2.21	599.4	2.01
Newspapers and Publishing (13)	252.0	0.67	208.2	0.61	153.0	0.51
Packaging and Paper (13)	350.1	0.94	308.7	0.91	263.4	0.86
Stores (33)	2,740.7	7.33	2,659.0	7.83	2,203.4	7.40
Textiles (22)	780.1	2.09	660.5	1.94	564.1	1.90
Tobacco (3)	1,526.0	4.08	1,312.1	3.86	1,225.5	4.12
Toys and Games (6)	47.3	0.13	42.7	0.13	27.2	0.09
OTHER GROUPS (94)						
Chemicals (24)	3,380.5	9.04	2,975.1	8.76	2,578.2	8.66
Office Equipment (10)	454.2	1.21	418.1	1.23	417.9	1.40
Shipping (12)	479.7	1.28	456.9	1.35	408.4	1.37
Miscellaneous (unclassified) (48)	1,895.2	5.07	1,722.8	5.07	1,482.7	4.99
INDUSTRIAL GROUP (496 SHARES)	24,018.0	64.22	21,347.0	62.85	18,596.9	62.49
Oils (4)	4,361.2	11.66	4,045.8	11.91	3,595.2	12.08
500 SHARE INDEX	28,379.2	75.88	25,392.8	74.76	22,193.1	74.56
FINANCIAL GROUP (100)	6,872.5	18.37	6,567.3	19.33	5,551.5	18.99
Banks (6)	2,092.4	5.55	1,890.6	5.54	1,618.2	5.44
Discount Houses (9)	98.7	0.26	85.1	0.25	76.6	0.26
Hire Purchase (5)	133.2	0.36	123.5	0.36	66.1	0.22
Insurance (Life) (9)	788.9	2.11	762.1	2.24	629.4	2.11
Insurance (Composite) (7)	1,827.3	4.89	1,828.3	5.38	1,526.5	5.13
Insurance (Brokers) (10)	390.4	1.04	289.6	0.85	247.3	0.83
Merchant Banks, Issuing Houses (17)	395.0	1.06	462.8	1.36	400.4	1.35
Property (32)	1,141.6	3.05	1,075.2	3.17	1,019.7	3.43
Miscellaneous (6)	95.0	0.25	60.1	0.18	65.4	0.22
Investment Trust Group (50)	2,151.1	5.75	2,006.9	5.91	1,981.1	6.45
ALL-SHARE INDEX (650 SHARES)	37,402.8	100	33,967.0	100	29,765.8	100

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A solution now appears to be in sight which may satisfy the Take-over Panel's ruling last June that a full-scale bid should be made either by **Haw Par Bros. International** or the Malaysian Government's **Pernas Securities**, or by both, for the world's largest tin mining concern **London Tin**. Pernas, currently the holder of a 20 per cent. stake in LT, has planned a take-over offer, in conjunction with the mining finance group **Charter Consolidated**, for the rest of the LT equity. The scheme first envisages a change in domicile for LT from Britain to Malaysia, thus attracting the investment premium for the latter's shares and considerably improving their value to U.K. residents. A bid is then intended worth just over 197p a share (reflecting the premium) to U.K. shareholders, although costing Pernas-CC only some 120p per share or an approximate total of £21m. for the outstanding 80 per cent. A problem is that the Singapore-based Haw Par, which owns nearly 30 per cent. of the LT equity, would not reap the benefit of the investment premium if it were to accept these terms. But it is hoped that a special compromise price between the 120p and 197p values can be agreed in negotiations with Haw Par. British consent for an LT change of domicile would be required.

Mr. Raymond Slater and **Mr. John Lilley**, two directors of an unquoted Manchester property development concern who are also members of the Board of civil engineers **Norwest Holst**, are poised to take control of the latter if the Take-over Panel gives its approval. **The Le Mare family** has agreed, subject to the Panel's consent, to sell at an undisclosed price about a third of the Norwest equity to Messrs. Slater and Lilley, who already own 25 per cent. The deal would, under the Take-over Code, trigger a requirement for similar terms to be offered to other Norwest shareholders. Norwest shares have risen 7 on the week to 42p, capitalising the equity at £3.7m.

Shares in **Lesbrook**, the Birmingham-based makers of pressings and assemblies, sprang to life and closed 5½ up on the week at 8p, after 11p, following news that **TCK Group** (formerly Thomas C. Keay) has acquired a 29.9 per cent. stake at a nominal price, believed to be about 0.1p per Lesbrook share, and gained Board representation.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
AD International	118	118	104	18.0	Dentsply Intl.	—
Anglo-Ecuadorian Oilfields	75b	71	64	6.75b	Clyde Petroleum	—
Ashbourne Invs.	20b	41½	41½	—	Cent. & Sheerwd. Trust	—
Bank Bridge	4½	4	5½	0.77	Tranwood	—
British Benzol	29	23	28	2.7	Tranwood	—
Brown Bros.	22*e	18	16	3.6*e	Dana Corpn.	—
Cessnock	260	245	240	1.9	McLeod Russel	—
Chancery Cons.	37	34	27½	4.8	Arbuthnot Latham	—
Clifton Invs.	4½*d	7	4½	0.15*d	Aries Hldgs.	—
Clover Dairies	168	167	92	9.8	Nthrn. Foods	—
Consolidated Tea	351	310	360	4.2	McLeod Russel	—
Court Hotels	30*	32½	33½	1.3*	BSQ Secs.	—
First Talisman Inv.	6½*	8	5	0.15*	Energy Finance and Genl. Tst.	—
Great Boulder	72d	71	70	44.0d	Western Mng.	—
Greenwd. & Batley	38	38½	38½	0.3	York Trust	—
Gresham Hotel	135*	135	—	1.1*	Tunney S. Htls.	—
Halford Shead	308	305	235	11.9	Alex. Howden	—
Janes (H. C.)	178	170	124	10.4	Barratt Devs.	—
Marryat Group	25*	24	17	1.8*	Sime Darby	—
MTE	34½	34	29	3.6	Ransome Hoffman Pollard	7/1
Robinson Rentals	210d	200	160	7.6d	Granada	—
SA Distilleries	468d	480	350	7.3d	Oude Meester	—
Teith Hldgs.	418	390	330	4.0	James Finlay	—
Trianco	7*d	7	6½	0.4*d	Cent. & Sheerwd. Trust	—
Walmsley (Bury)	60*d	57	87	1.6*d	Beloit Cpn.	—
Washington Inv.	29	27½	29	2.2	Elect. and Genl. Inv.	—
West Nile	418	390	330	2.8	James Finlay	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 2/1/76. k Based on 31/12/75. ‡ At suspension. † Bid.

PRELIMINARY RESULT

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Town & Commrcl.	Mar. 31	4,732L	(531)L	—	(—)	Nil	(0.134)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Barker & Dobson	Sept.27	1,160L	(922)L	Nil	(Nil)
Bell & Sime	Oct. 31	63	(52)	0.873	(0.875)
Electronic Rentals	Sept. 30	2,720	(3,204)	0.353	(0.32)
Fraternal Estates	June 30	26L	(352)L	Nil	(Nil)
Gadek Rubber	Sept.30	37†	(47)	—	(—)
Knott Mill	Aug. 11	1L‡	(145)L	Nil	(Nil)
Metropole Inds.	Sept. 28	100	(103)	—	(—)
Negretti & Zambra	Sept. 30	78	(91)	—	(—)
Norwest Holst	Sept.30	438	(455)	Nil	(0.873)
Queens Moat Hses.	July 13	41	(109)	Nil	(0.275)
Sobranie (Hldgs.)	Aug. 31	135	(64)	0.63	(0.593)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For 9 months. ‡ For 24 weeks. L Loss.

COMPANY NEWS IN BRIEF

A. AND C. BLACK (Publishers)—Interim dividend 0.875p net (same and 3.995p total). Turnover for first half 1975 £971,000 (£890,000). Profit £57,000 (£71,000). Tax £19,000 (£37,000), leaving £18,000 (£34,000). Profit for full year should show a considerably smaller proportionate fall from first half which was due to movement of warehouse.

CAPITAL GEARING TRUST—Income half-year to October 5, 1975, was £43,861 (£37,687). Profit £2,605 (loss £10,945) after management expenses and interest £41,256 (£17,135). Loss for period £6,672 after provision for Capital Gearing (Overseas) £8,877. Net asset value per share 4.69p.

CRYSTALATE (HOLDINGS)—Electronic components and plastic mouldings—Dividend 0.123p net (nil) per 5p share. Turnover for year to September 30, 1975, £2,410,000 (£2,381,000). Profit £42,000 (£3,000) after tax £6,000 (credit £16,000). Earnings per share 0.97p (loss 0.33p) basic, and fully diluted 1.01p (loss 0.26p).

H. AND C. DAVIS AND CO. (balustrade makers and light engineers)—Profit £36,687 (£11,068) for year 1976, subject to tax £7,411 (£8,000).

FELIXSTOWE TANK DEVELOPMENTS—Following the acquisition of an 80 per cent. interest in the company's equity by Tankfreight, the company intends to change the accounting year end to December 31.

FREE STATE GEDULD MINES—Results for year to September 30, 1975, already known. Mining assets R84.99m. (R79.71m.), net current liabilities R365,000 (R1.3m.). Meeting, Johannesburg, January 27.

Free State Saaiplaas Gold Mining Co.—Results year ended September 30, 1975, already known. Mining assets R 28.3m. (R.18.31m.), net current assets R.33.39m (R 2.34m.). Meeting, Johannesburg, Jan. 27.

PRESIDENT BRAND GOLD MINING COMPANY—Results for the year to September 30, 1975, already known. Mining assets R122.31m. (R106.44m.). Net current assets R34.82m (R2.34m.). Meeting, Johannesburg, January 27.

President Steyn Gold Mining—Results for year to September 30, 1975 already reported. Mining assets R.111.54m. (R92.34m.), net current assets R6.88m. (R5.75m.). Meeting, Johannesburg, Jan. 27.

WELKOM GOLD MINING—Results for year ended September 30, 1975, already known. Mining assets R47.61m. (R43.54m.), net current assets R7.7m. (R2.19m.). Meeting, Johannesburg, January 27.

WESTERN HOLDINGS—Results year ended September 30, 1975, already known. Mining assets R63.19m. (R39.01m.), investments R7.34m. (R7.29m.) and net current liabilities R1.03m. (R0.40m.). Meeting, Johannesburg, January 27.

BRITISH TITAN

British Titan, which manufactures and markets titanium pigments under the trade mark Tioxide, has changed its name to Tioxide Group. The move brings the group's British companies into line with its overseas operations which mostly already use the Tioxide name, and will eliminate confusion with competitors also using the Titan name. The U.K. company in the group will be known as BTP Tioxide.

Economic Diary

STERLING gold and convertible currency holdings at end of December will be available on Monday.

Other events and statistics include:

TO-DAY—Mr. Peter Shore, Trade Secretary, flies to New Delhi on official visit.

MONDAY—British Steel Board meets to review planned economies. Mr. Denis Healey, Chancellor of the Exchequer, leaves for Jamaica to attend interim committee meeting of International Monetary Fund. Lord Kearton, chairman of British National Oil Corporation, is guest speaker at Coal Industry Society luncheon, Hyde Park Hotel, London. Investment intentions of manufacturing, distributive and service industries for 1976-77.

TUESDAY—Sir Campbell Adamson, director-general CBI, at London South East Region annual lunch, Cafe Royal, London. Provisional figures for vehicle production and new car registrations (Dec.—prov.).

WEDNESDAY — Consultants' "pay beds" ballot. Clearing banks' aggregate figures for deposits, liquid assets and advances and U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Dec.).

THURSDAY—Steel unions resume talks on economies at British Steel Corporation. London Gazette will include Consolidated Fund and National Loans Fund (Dec.).

FRIDAY—Third-quarter figures for personal income, expenditure and savings, and gross domestic product.

East Germany accused over escape bids

West Germany, Jan. 2.

WEST GERMANY listed over 1,700 alleged cases of violence and violation of human rights by East German authorities in 1975 in connection with escape attempts to the West, it was announced here to-day.

The West German State Judiciaries' Central Investigation Office said 1,701 investigations had been started by West German State prosecutors—359 more than in 1974.

Most investigations concerned sentences passed on East German citizens by East German courts on political grounds. Since 1961, West German authorities have registered 105 deaths on the East-West German border, excluding fatal escape attempts at the Berlin Wall.

Reuter

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
U.S.$	F.P.	—	$12⅛	$12⅛	Brazil Fund S.A.	$12⅛	.....	—	—	—	—
¶285	F.P.	7/11	380	350	[illegible] G'd Min'g 8c	285	+10	—	—	—	—
—	F.P.	—	£35⅞	£29¼	Hughes Tool $1	£34¼	+¼	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price £	+ or −
£99¼	£50	30/1	55¼	49½	Bristol (City of) 13¼% Deb. Stk. 1981	55¼	......
£99½	£50	11/2	53½	49½	Coventry (City of) 13½% Red. Stck. 1980	53½	+¼
£98	F.P.	23/1	100	98¼	Essex Water 9% Red. Pref. 1981	100	......
‡£100	F.P.	13/10	130¼	115	Haslemere Est. 9¼% '90-5	130	......
£100	F.P.	9/1	104¼	99½	Islington 13¾% Red. Stk. 1980	104¼	+¼
£100	F.P.	9/1	101⅝	97½	Do. 13% Red. Stk. 1985/6	101⅝	+¼
‡HK$100	[illegible]	—	870p	835p	Jardine Math. 7½% Conv. Uns. 1990	850p	+15
£100	F.P.	28/11	100	96¾	Lee Valley Water 9% Red. Pref. 1980	99	......
$US100	F.P.	—	100	98½	Midland Bank Float Cap Notes '82	100	......
$C100	F.P.	—	98¼	98	Noranda 9¾% Notes 1980	$C98¼	......
$US100	F.P.	—	102½	92	Do.	$US.102½	......
£99	£25	23/1	23⅞	26	Norcros 15¼% Deb. 1990/95	28⅝	......
£100	—	16/2	95	92	Pentos 15% Conv. Uns. 1985	94	+1
‡30p	F.P.	17/11	50	45p	Sanglo 10% Cum. Conv. Pref	45½	......
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1990	110	+1
‡£100	F.P.	20/2	113¼	110	Tenneco 10% Sterling $ Conv. 91-95	112½	......
$US100	F.P.	—	92	82	Trans Union Fin Cap 10½% notes 1990	$0.92	......
£98	F.P.	1/10	98½	96½	York Waterworks 9% Red. Pref. 1980	97m	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
100	F.P.	19/12	30/1	180	160	Anglo-Am Asphalt	178	......
C$36	Nil	16/1	—	55	30	Bank of Nova Scotia	41½pm	......
33	F.P.	5/12	7/1	62	38	Berry Wiggins	55	+1
285	F.P.	12/12	16/1	355	333	British Home Stores	340	+5
32	Nil	—	—	6	4	Brooke Bond	6pm	......
32	F.P.	19/12	12/1	55	47	Capper-Neill	51	+1
10	F.P.	3/12	9/1	22½	18	Charles (David)	22	......
55p	F.P.	24/11	8/1	92	79	Debenhams	92	+5
100	Nil	8/1	13/2	21	13	Eagle Star	21pm	+5
25	Nil	5/1	30/1	38	30	Ellis & McHardy	35pm	......
60	Nil	19/3	20/2	8½	4½	Fairey	8pm	......
90	F.P.	12/12	9/1	133	119	Fenner (J.H.)	128	......
57	Nil	9/1	20/2	22	18	Green's Economisers	18pm	−1
675	F.P.	1/2	7/1	900	775	Harrisons & Crosfield	900	......
63	F.P.	15/12	12/1	66	64	Hunting Assoc. Inds.	62	......
10p	F.P.	17/12	16/1	150	121	Kwik Save Discount	131	+2
10p	F.P.	2/1	23/1	38	34	Lennons Group	35	......
10	Nil	22/12	20/1	34½	29	Lighting & Leisure	31	......
68	F.P.	19/12	16/1	85	75	Mowlem (J.)	83	......
$1.50	Nil	30/1	13/2	150	125	Nat. Bank of Aust.	138pm	−1
60p	Nil	9/1	13/2	8½	4½	Plessey	7½pm	+½
10	F.P.	17/12	7/1	27	24	Pontins	26	......
50p	F.P.	31/12	5/2	58	52	Pullman (R.& J.)	55	+7
10p	F.P.	24/11	30/1	39	35	Raybeck	36	......
92	F.P.	19/12	30/1	133	118	Runciman (W.)	133	+3
38	F.P.	19/12	21/1	43½	32½	Spillers	42½	+½
20	F.P.	12/12	16/1	70	64	Watson & Philip	66	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ¶¶ 350 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ‡ Introduction. ◆ Issued to former Preference holders. : Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants.

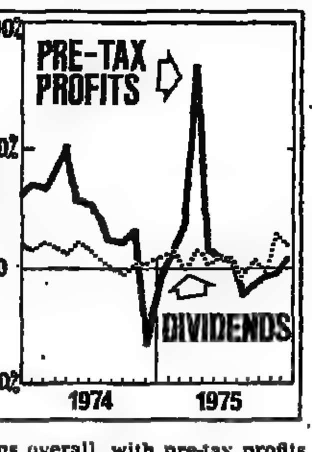
Dividends, profits up in December

By Ron Putland

THE 61 companies which issued annual accounts in December saw 1975 out on a firm note.

Pre-tax profits showed a rise, for the first time in five months, of 4.5 per cent. on those of a year ago, while dividends recorded a 9.7 per cent. increase on those recommended in December, 1974.

The rapid rate of inflation during the year, however, made for very difficult trading conditions overall, with pre-tax profits over 1975 scoring a minor rise of 4.3 per cent. on the previous year compared with 1974's gain of 33.1 per cent. on 1973.



Dividends, too, were restrained by the need for companies to preserve dwindling reserves and by the Government's imposed limits on increases, at present at a rate of 10 per cent.

In the event, dividends during the past year showed an increase of 4.5 per cent. compared with a rise of 7.2 per cent. in 1974.

Support for combination pay rises

SUPPORT for the idea of a combination of flat-rate and percentage wage rises as the "Stage Two" of the Government's pay policy has come from Mr. John Hughes, head of the trade union research department at Ruskin College, Oxford.

The formula should be tied to the projected inflation rate for 1976-7, which, Mr. Hughes says, could be nearer 8 per cent. than 10 per cent. the Chancellor's current target for which the present £6 per head limit was devised.

The percentage element could be related to the total wage bill of a bargaining group, with some flexibility as to how it was to be distributed.

A second stage, beginning in August, could also contain some guarantee that real pay would be maintained if inflation

Mr. Hughes makes his suggestions in this month's issue of Personnel Management, the journal of the Institute of Personnel Management.

FINANCIAL TIMES REPORT

Saturday January 3 1976

TAKING YOUR CAR ON HOLIDAY

While ferry traffic may not have boomed in the mid-seventies as much as once predicted, it has proved more healthy than many other sectors of the holiday industry.

A ferry to fit most plans

By Arthur Sandles

LONG BEFORE I ever actually made any journey to foreign shores I recall turning the pages of an old bound copy of Punch which turned up at the bottom of some family cupboard. Something caught my childish eye at the time. It was a cartoon in a series of "Popular misconceptions," and the theme of this one was "Crossing the Channel." No matter how ill-conceived the image may meant to have been, its vivid portrayal of towering waves and little ships being thrown high and low by the elements was to stay in my mind for years.

When the summer came to make the journey for the first time it was all rather a disappointment. The sea was as calm as the proverbial millpond and the trip bordered on the civilised. Another illusion was shattered, thankfully perhaps, since I have come to know and dread bad crossings even if they are few and far between.

Times have changed a little over the past century or so. The number of ways of crossing the Channel, the Irish Sea and the North Sea has mushroomed. Aircraft and hovercraft compete with more traditional vessels. In fact the offerings are now so broad in scope that to list them is a somewhat pointless exercise—except perhaps to point to the fact that some departure points which are sometimes overlooked do exist, and can be useful. Sheerness, Ramsgate, Middlesborough and Great Yarmouth are all departure points these days.

To-day, choosing a ferry is much more a question of deciding where you are going, when you want to go and what type of transportation you prefer. Gone are the days when holidays had to be planned around a ferry. Now there is a ferry to fit most plans. Obviously the more unusual your departure port, or the longer the run, the longer ahead you will need to book in order to be sure of getting a place. Dover remains the best choice for the non-planners, although even there you are likely to come unstuck on the few days in the year when traffic reaches its peak.

Blurred

Just as the route structure has altered over the years, so have the ships themselves. As the cruise vessels of the world have shrunk during the past decade, so the ferry ships have grown in size so that the line between them has become blurred. Some of the newer ferry vessels, particularly those used on the Scandinavian and Iberian runs, are actually used for cruises and have package tours built around them. Some of the ships operated by such companies as Aznar, Tor and Swedish Lloyd even come complete with swimming pool.

The reason why the ferry vessels of to-day have grown so much in size and sophistication is of course their basic popularity. Ferry traffic may not have boomed in the mid-seventies as much as was once predicted, but it has proved a great deal more healthy than some other sectors of the holiday industry. With the psychological pressures that have been brought against the motorist in recent years, particularly in the form of increased fuel prices, this is an intriguing buoyancy.

It must to a large degree be due to the measure of independence which a motoring holiday abroad gives to the family concerned. A few days of over-indulgence can be corrected by a succession of picnics; a bad choice of resort simply leads to the decision to go elsewhere; and if the money runs out completely the whole family can turn and head for home.

Another major plus of course is that there are no baggage problems if you take your own car—unless your baggage demands are of an extreme order. But one of the prime factors in the choice of a motoring holiday must still remain cost. Even to-day's package tour prices make the taking of a family abroad, particularly in high season, something that requires a little thought. If you wish to drive the Rolls solo to the South of France, the cost may seem high. But pack a spouse and a few kids into the same car and the unit cost starts to tumble rapidly when compared with air fares.

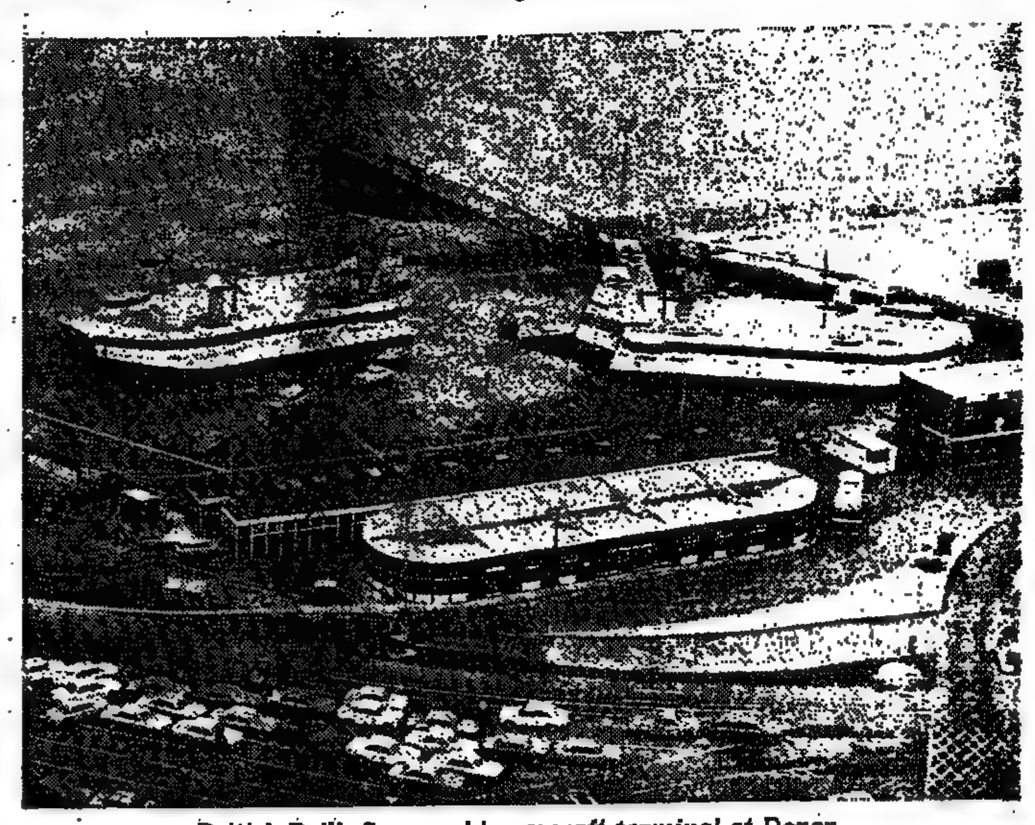
The growth of the market and the obvious demands of those who take motoring holidays has led to the development of a wide range of ancillary services. Several companies, including the ferry operators themselves, rent camping equipment, while others have come into the market offering anything from fully organised tours including the reservation of en route hotels for you to ready set-up tents awaiting in sunshine resort areas. Canvas Holidays, for example, has made something of a name for itself for its smoothly run operation which offers well-equipped tents on well-managed sites, particularly in France.

Motorail

Among the ancillary services are of course the motorail facilities, notably those of French Railways. These are certainly not cheap, particularly if you want the better accommodation, but they do save an enormous amount of time and energy on the North-South runs.

No one is quite sure what sort of season the ferries will have this year. Traditionally they seem to rely on that sector of the market — the white collar/executive ranks—which has been hardest hit by inflation and taxation. But in recent years the ferries themselves have found that some of the sluggishness in the British market has been counterbalanced by the flow of Europeans attracted to British shores by the falling pound, and, of course, the delights of our countryside.

This flow of Continental traffic gives the ferries themselves a much more cosmopolitan atmosphere than they might have had twenty years ago, when the traffic was heavily biased towards the British.



British Rail's Seaspeed hovercraft terminal at Dover.

Before you go

ENTRY INTO THE Common Market has changed some of the rules affecting car travel in Europe, and changed them in such a way that it is easy to be lulled into a sense of false security.

Notable on the list, of course, is the subject of car insurance. As a result of Common Market membership your ordinary British car policy gives you basic cover in the countries of the Common Market and in Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Sweden, and Switzerland. The words to note are "basic cover," and that means only the cover that is required by law in the country concerned. The cover in fact varies considerably and is always a long way removed from the cover given you by your own policy when you are on British roads.

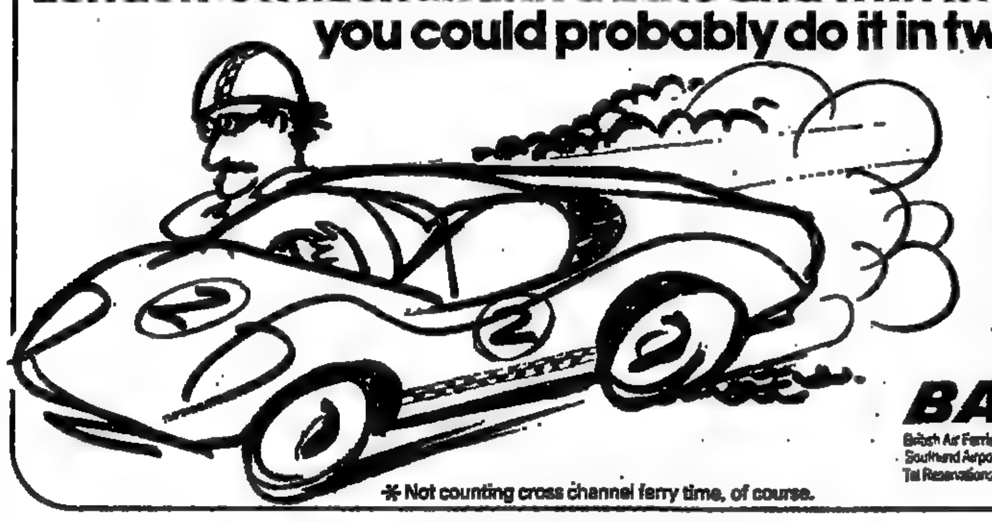
This means that while the man at the frontier may not actually ask to see your green card, you would be foolish not to check with your insurance agent or company to see what sort of cover you have for the place you are visiting. A green card is still almost a necessity by most standards and in many countries of course an actual legal requirement. Spain, Turkey and parts of North Africa are obvious examples.

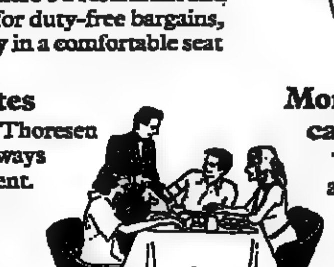
Much the same principl[illegible] apply to health insurance. [illegible] theory there is a variety of r[illegible]ciprocal arrangements ov[illegible] health in various countries, b[illegible] only in parts of Scandinavia a[illegible] Eastern Europe will you fi[illegible] anything like the British heal[illegible] service system. Broadly a[illegible] employed person from Brita[illegible] (the self-employed must ta[illegible] out separate insurance) [illegible] entitled to the same benefits [illegible] a local insured person in Co[illegible]mon Market countries. To ta[illegible] advantage of this, however, y[illegible] must get a form E111 from t[illegible] British Department of Heal[illegible] and Social Security, before y[illegible] leave for Europe (includi[illegible] Ireland). Leaflets ST 28 a[illegible] SA 30 are explanatory doc[illegible]ments about filling in the for[illegible] and procedures in case of trea[illegible]ment being necessary.

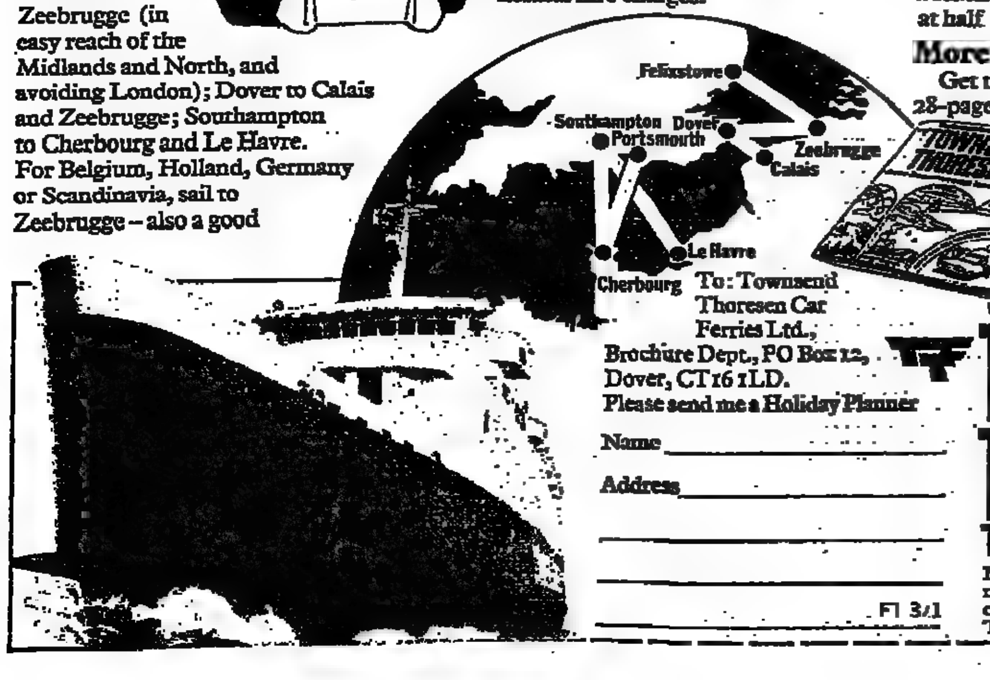
The procedures can be tim[illegible] consuming and frustrating, pa[illegible]ticularly if you are in a ru[illegible] area and do not speak t[illegible] language. Imagine a memb[illegible] of the party falling ill, leavin[illegible] a complex procedure to be go[illegible] through by someone else w[illegible] is probably upset and not [illegible] little frightened. Again, add[illegible]tional insurance taken out i[illegible] the U.K. before departure [illegible] probably worthwhile, if only fo[illegible] peace of mind.

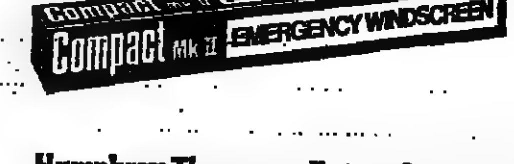
A.S.

Fitting a Compact Deepscreen after a shattered windscreen.









كذا أصل الأصل

Travel

A place of your own

BY SYLVIE NICKELS

Villas and apartments are available for rental not only by the sea, but also in the mountains. The Austrian village of Seefeld.

THE CAR WAS waiting for us at Mahon airport. We signed the documents, got our instructions on how to find the Horizonte estate and, within half an hour, were nosing our way into the drive of the attractive white villa that was to be ours for the coming days.

The car was included in the cost of the holiday; so was the unlimited mileage, an initial supply of food, and the services of Maria who bounced in cheerfully to make our beds and clean the villa each day except Sundays. It was October, sunny and warm, and we made good use of it, exploring Minorca at leisure from its beaches to its hills, from its prehistoric monuments to the various homely relics left during three sessions of British 18th century rule.

The high season cost for this type of arrangement, excluding petrol and food, is from £121 for each of four in Meon Villa Holiday's 1976 programme.

The company, which has expanded at a sensible pace over a number of years, features the three main Balearic islands, France, Spain, Portugal's Algarve and Malta in Europe, plus some further flung places such as Jamaica (where all the cooking and chores are done for you).

Nowadays the scope of self-catering holidays covers just about every type of environment, budget and life style. They may be marketed by companies specialising in self-catering or those with particular knowledge of certain countries, regions or individual tastes. In the latter category is Cox and Kings, with a couple of cottages on offer in the lovely Dordogne area of France (£131-£144 based on four persons, 15 days, including air travel and car rental with unlimited mileage).

Small World go in for the real Greece with self-catering possibilities on islands that you don't often hear about. Most of the villas are for two people and the price range for two week £96-£136, according to season. Beach Villas really do concentrate on villas that are on, or as near beaches, as possible in various parts of Spain, the Balearics, the Algarve, Corfu and France, including Brittany and Aquitaine. You can travel by your own car in many cases, or by scheduled flight. This company, which has been operating for ten years, is staffed by chartered surveyors and other property experts.

Long-established specialists in the Algarve are The Travel Club, whose flats and villas are dotted all along that attractive coast, mainly in modern holiday villages, usually with a swimming pool or access to one, and often other sports facilities.

Again, the price range is considerable but, for each of four persons, count on about £100 at the height of the season, including return air travel and maid service. Car rentals can be arranged from £30 a week with unlimited mileage.

*Your week-end £1: Austria 34.75, Belgium 80.50, France 8.96, Italy 1,485, Greece 75, Spain 119.5, Switzerland 5.26, U.S. 2.0175. Source: Thomas Cook.

As usual in estimating costs it is essential to be sure of what you do want in order to avoid paying for what you do not. Most tour operators give a fair idea of how the local cost of living compares with the U.K. and drinks, at least, nearly always work out cheaper (both compared with prices at home and those charged in local hotel bars). Basic maid service is usually included, except in France, and can mostly be supplemented at a small extra cost if you want a babysitter or some meals prepared.

One of the most extensive all-round programmes comes from OSL: over a thousand villas and apartments scattered about the Balearics, various parts of mainland Spain, several Greek islands, the Algarve, Malta and Gozo, Grand Canary, southern Italy and the south of France. Again, the choice of travel is by air or by your own car, and there are very detailed costings for all categories of accommodation according to amenities, duration, mode of travel, season, car hire if required, with symbols indicating local sports and entertainment facilities.

Probably the most impressive document of all is the Villa Holidays list from Swiss Chalets-Inter Home: 376 pages of it, featuring 7,000 properties in 1,000 resorts in a score of countries!

The bulk of them are in Switzerland, Austria, France, Italy and Spain, but elsewhere the choice ranges from Niittylahti in Finland to Novigrad in Yugoslavia, not forgetting Mixtow by Fowey in our own GB. It is certainly a massive and detailed list though, in this case, you make your own travel arrangements.

In Scandinavia, where they have learned to make the most of their short, but often splendid summers and their wide open spaces, chalets and log cabins of all types are to be had in settings of mountain, sea, lake and/or forest. Tor Line, for example, feature Swedish self-catering holidays, with free transport of your car on their Immingham or Felixstowe-Gothenburg services before June 3 and after mid-August.

Finally, back in Britain our regional and national tourist boards produce some very useful lists of accommodation, including self-catering. Places I have found by using this method range from a cottage in south-west Scotland to a caravan in mid-Wales and they have all been excellent value.

Addresses: Meon Villa Holidays, 32, High Street, Petersfield, Hampshire; Cox and Kings, Vulcan House, 46, Marshall Street, London W1V 2PA; Small World, 5, Garrick Street, London WC2E 9AZ; Beach Villas, 8, Market Passage, Cambridge CB2 3QR; The Travel Club, Station Road, Upminster, Essex; OSL, OSL House, Broxbourne, Hertfordshire EN10 7JD; Swiss Chalets-Inter Home, 10, Sheen Road, Sheen, Surrey TW9 1AE; Tor Line, PO Box 40, West Gate, Immingham Dock, Immingham, Grimsby, South Humberside.

Gardening

The art of keeping 'mums

BY A. G. L. HELLYER

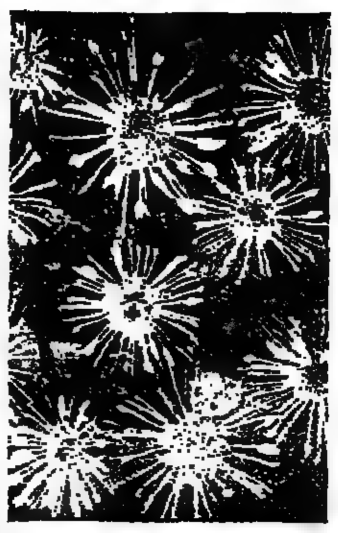
JANUARY IS the month when serious chrysanthemum growers really set to work. It is the time to start taking cuttings of the autumn exhibition varieties, those monstrous mop heads that compel admiration as triumphs of the breeders' and cultivators' arts, even though we may have reservations about their beauty.

Less dedicated gardeners need not start for at least another month or, if their aim is outdoor rather than greenhouse flowers, can even put it off as late as the first fortnight in March. As for those who have no facilities, or maybe no inclination, to raise their own chrysanthemums April and May will see plenty of rooted cuttings on offer, though what prices will be like this year only the commercial growers can guess at the moment.

Chrysanthemum cuttings are prepared from the young shoots that come pushing up through the soil direct from the roots. These are severed just below soil level when 2 to 3 inches high. The base of each is dipped in hormone rooting powder, and the cuttings are then pushed about half their length into a mixture of equal parts of peat and coarse sand around the edge of a flower pot. If they are then placed in a fairly deep box, covered with a sheet of glass and are kept in a temperature of about 13 degrees C the cuttings will make sufficient roots in about a month to be separated carefully and potted individually in 3-inch pots in either a John Innes or soilless compost.

Since chrysanthemums are almost hardy plants, they will need no artificial heat from mid-April onwards and can either be planted outdoors in May or stood outside in their pots. If they are to be grown in pots throughout they will need to be moved on to larger sizes as the smaller ones get filled with roots. The blooms will probably finish up in pots 7 or 8 inches in diameter.

Chrysanthemums, almost better than any other plants commonly grown in gardens, exhibit the strange clock-like mechanisms which plants possess to tell them when to grow, when to flower and when to go to rest. With chrysanthemums it is based on a subtle interaction between temperature and day length, and by controlling both it is possible to make plants grow and/or flower almost at will. This is the way in which commercial growers are able to produce cut flowers throughout the year, and, with the aid of chemicals as an additional means of growth control, to produce pot-grown chrysanthemums at any time and of almost any height required.



Spoon petalled chrysanthemum

It also explains some of the rather odd things that happen to chrysanthemums when they are grown naturally without the aid of the blackouts, artificial lighting and carefully controlled temperatures required for all year round flowering. For example, if cuttings are rooted now and are grown as I have described, many of them will produce a flower bud in May, but this will wither away. Experts refer to this first abortive bud as a "break" bud, because its principal effect is to check the upward growth of the stem and make it branch or "break" into side shoots. Yet if cuttings of the same chrysanthemums are rooted in May or June these break buds will not abort but will produce prefect flowers on quite short stems. Why this odd difference in behaviour?

The explanation, once a mystery, is now fully explained. Chrysanthemum flower buds are produced when nights are 10 hours or more in length and temperatures are 13 degrees C or more. For early rooted cuttings these conditions can occur briefly in April, but will not continue sufficiently long to allow the buds to go on developing. For late rooted cuttings the right conditions for bud formation do not commence until September and then nights are getting longer and so no artificial blackouts are required to keep the buds developing into flowers.

It is all very fascinating, and gardeners who enjoy experimenting can try the effect of bringing well-grown chrysanthemums daily into the dark for a period long enough to simulate a ten-hour night. Most will be content to accept the flowers when they come naturally and breeders have helped to ensure a long season by modifying this natural "short day" tendency and so producing earlier flowering varieties to bloom successionally from August to October, after which normal flowering varieties take over to continue the display until Christmas or later.

The August-September varieties bloom well outdoors, and in sheltered places the October varieties can be treated in the same way. Elsewhere all the later varieties should be protected from the end of September onwards, not to preserve the leaves or stems, which are relatively hardy, but the expanding flowers which are easily spoiled by frost.

There is yet another way in which the natural flowering time of a chrysanthemum can be varied, though not by much. This is by removing the tips of the shoots at carefully chosen times to make the plant branch earlier or more frequently than it would otherwise do.

Do not be tempted to take cuttings from the dwarf pot chrystanthemums purchased in the shops. They are special varieties produced for controlled temperature and day length conditions. Go instead to a good chrysanthemum specialist and purchase modern varieties bred for the flowering times you require—earlies for growing outdoors and October or late flowering chrysanthemums for greenhouses, sunrooms and other light, frostproof places. Not only are all the different chrysanthemum colours available for all these seasons, but also all the wonderful variety of chrysanthemum shapes.

Mates meet at Hastings

THE CONTINUED success of the Hastings chess congress, now in its 51st year, is an example of how involvement in an international cultural activity can promote the name and qualities of a sponsoring town on a world-wide scale and across a long time span. Hastings for chess is as synonymous as Wimbledon for tennis or St. Andrews for golf.

More than 90 countries belong to the World Chess Federation and part of the game's appeal is that international champions can spring up anywhere. The organisers of the first Hastings in 1895 (the congress became a regular annual event in 1919) set a pattern when they invited, besides established grandmasters from Russia and Germany, a little-known American named Harry N. Pillsbury. Pillsbury, chain-smoking black cheroots and displaying his prodigious memory (he could play chess, draughts and whist simultaneously) won the tournament, and Hastings acquired an instant reputation as a proving-ground for young hopefuls.

Hastings was also lucky in its first Russian. He was Mikhail Tchigorin, who played two matches for the world championship and who became the official father-figure of Soviet chess. Tchigorin was, like Pillsbury, a player whose attributes acquired a legend; he was a specialist in drinking his match opponents under the table and, making his first acquaintance with whisky at Hastings, commented that it was too weak a drink. Soviet grandmasters, reporting on Hastings back home, have more than once written that they "played with the same pieces as the immortal Tchigorin;" Hastings still has some of the chessmen used in 1895.

More recently there was the 1954 marathon when C. H. O'D. Alexander beat the Russian Bronstein in a queen and pawn endgame spread over 120 moves and a week's play. Bronstein is back this year; it is said that he has pleaded for years with the U.S.S.R. chess authorities for another invitation to Hastings.

Despite all these fine traditions, the Hastings congress has recently had its full share of financial problems. The local authority contributes less than a quarter of the £10,000 budget, and the major sponsor this year is Zetter's International Pools.

Whether Hastings can maintain its position in future or will lose ground to the rival Dutch congress at Wijk aan Zee (sponsored by Hoogovens) or to the other British events in Cleveland, London and Birmingham is likely to depend on two factors. One is a real British success, lacking since Alexander won his marathon against Bronstein; the other is for the congress's financial support to be established on a regular rather than a year-to-year basis.

LEONARD BARDEN

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Index up 6.30 on late buying

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 2.

A LATE FLURR Yof buying sent *Wall Street broadly higher today.* Buying was encouraged in the final hour by a report that Retail Sales rose 2.2 per cent. last week, which was 16 per cent. above the comparable 1974 week.

The Dow Jones Industrial Average finished 6.30 up at 858.71, reducing its loss on the week to 1.10, while the NYSE All Common Index, at $48.04, advanced 40 cents on the day and 44 cents on the week. Rises led falls by a near four-to-one majority.

But the trading volume dropped 6.67m. shares to 10.3m., with many operators absent celebrating a long New Year's week-end.

Banks were broadly higher. Charter New York rose $1 to $22½, Citibank $¾ to $30, Marine Midland $⅝ to $11¼, and Bankers Trust $½ to $29⅞.

Burlington Northern gained $2 to $34 on its earnings forecast of about $6.30 a share in 1976, compared with an expected $3.50 to $4 a share in the year just ended.

Chessie System moved up $1¼ to $35¾ on fourth quarter net of $2.16 a share, against 95 cents.

Steels were mostly higher.

ITE Imperial shed $¼ to $19¼ and Gould lost $¾ to $26½ on an agreement in principle to merge.

Railroads moved forward, as Chessie System picked up $1¼ to $35¾, Burlington Northern $2 to $34, Seaboard Coast Line $1½ to $21⅞, Southern Railway $⅞ to $51, Canada Southern Railway $1 to $41 and Reading $⅜ to $2¼. *Chessie reported sharply higher* fourth-quarter earnings and Burlington Northern predicted higher 1976 earnings.

Walt Disney added $2⅛ at $52—it predicted "continued strong performance" in fiscal 1976.

Mesa Petroleum improved $1½ to $20⅜, while Aztec Oil were delayed the whole session following Mesa's plan to tender for Aztec stock.

Xerox rose $1¼ to $52⅛, Rohm and Haas $1 to $59, Fairchild Camera $1½ to $39, Tesoro Petroleum $1¼ to $14⅜, Coco-Cola $1¼ to $83½ and Exxon $1½ to $90.

Schlumberger picked up $1¾ to $77¾, Polaroid $1½ to $32½, Helmerich and Payne $2½ to $32⅜, and Wallace-Murray $1¼ to $12¾.

The American SE Market Value Index gained 0.83 to 84.31, making a rise of 1.73 on the week.

International Systems and Controls picked up $1½ to $31¾, Presley $1⅝ to $7½, Washington Post "B" $1⅝ to $22⅞ and Xonics $1½ to $14⅛.

OTHER MARKETS

Canada up again

All sectors again moved higher in very quiet trading on Canadian Stock Market yesterday.

The Industrial Share Index rose 0.70 to 173.01, Golds 4.91 to 269.35, Base Metals 0.07 to 73.77, Western Oils 0.95 to 195.58, Utilities 0.81 to 125.06, Banks 1.16 to 247.02 and Papers 0.06 to 96.44.

In thin trading, Moneneo "A" advanced $1 to $15 while Chrysler on more substantial volume gained $⅞ to $11½. Massey-Ferguson gained $½ to $21¾.

PARIS—Generally higher in a very thin session.

Banks, Holdings, Motors, Metals, Chemicals and especially Stores all did well, while Foods, Engineerings and Oils finished irregular. But Constructions and Electricals fell back.

Foreign issues were mostly higher and led upwards by Gold Mines. Canadians only improved marginally.

AMSTERDAM—Recent gains sharply extended in quite active conditions, following substantially less sombre third quarter Central Bank economic review and also increasing chances of economic recovery.

State Loans quietly mixed.

OSLO—Banks and Insurances quiet, Industrials firm, Shippings irregular.

VIENNA—Little change.

COPENHAGEN — Mixed in moderate dealings. Banks were mainly higher but Commodities and Industrials were lower.

GERMANY—Firm across the board in very active trading.

Banks all higher, Electricals strong, Chemicals gained ground, Motors all advanced, Machine Makers improved, Steels strengthened, Metals moved up.

Utilities higher, Minings gained ground, Stores rose, Breweries steady to firm.

Bonds gained up to 45 pfennigs on lively demand, with Authorities selling more than Dm.5m. nominal to the market. Mark Foreign Loans firm.

MILAN—Slightly higher in seasonally slack trading.

Bond showed scattered gains.

HONG KONG—Market continued firm in active trading.

"Second line" Property shares led the rise. City and Urban rose 22½ cents to $HK3.60. Hong Kong Docks gained a further 40 cents.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

STOCK AND BOND YIELDS

FRIDAY'S ACTIVE STOCKS

IND. DIVIDEND YIELD p.c.

N.Y. SE ALL COMMON INDEX

RISES AND FALLS

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

MELBOURNE YIELDS

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

HONG KONG INDEX

SINGAPORE INDEX

TORONTO

MONTREAL

JOHANNESBURG

(1958=100). Source: Rand Daily Mail.

EUROPE

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ф Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

RACING — BY DOMINIC WIGAN

Royal Thrust for Mandarin Chase

THERE ARE FEW more improved young chasers in training than the Fred Rimell trained *Royal Thrust*, and I anticipate the Kinnersley gelding proving that he is still on the upgrade by taking to-day's Metrostore sponsored Mandarin Chase at Newbury.

Royal Thrust who began the season by finishing in the ruck behind Cingalese in a modest chase at Stratford on September 27, has won his last two races—the Sportsman's chase at Worcester and Warwick's Shipston Chase with the minimum of fuss.

His most recent success came in the two and a half mile Shipston Chase on November 27. Making all the running in that event Royal Thrust was clear of his three opponents from the 14th fence, and won unchallenged by five lengths from Going to Roost to whom he was conceding two stones. Winter Fair in receipt of 6 lbs was a further four lengths away in third place.

Royal Thrust, who will be well *suited by to-day's stiff fences* and the additional three quarters of a mile, may have most to fear from the course specialist. Even Up, a recent winner at Lingfield.

Half an hour after the Mandarin it will be interesting to see if that popular veteran, Old Man Dimplex can follow up his recent three lengths Wolverhampton success over Accord with a victory in the highly competitive Sovereign Hurdle (2.00).

Fred Winter's nine-year-old may well do so, but my own preference is for the dual course winner, *Lyon Del Mar*, the mount of Geoff King.

Lyon Del Mar, who found no difficulty in outpacing Mad Mahdi on the run-in to the Seven Barrows Hurdle here on Guy Fawkes Day, was again an easy winner when supplementing that success in Warwick's Upton Hurdle on December 16. Sent on between the final two flights there Lyon Del Mar had only to be kept up to his work with hands and heels to defeat Miss Poker Face, in receipt of 5 lbs by four lengths with the remainder well strung out.

For Scottish racegoers there is a good card at Ayr where many followers of the "benign bishop," Ken Oliver, could be in for a profitable afternoon. The Hawick trainer's best prospect seems to be that smart mare, *Bannow Bay*, who achieved a quick hat trick before, somewhat surprisingly, failing to make much impression in a handicap at Sedgefield last time out. I hope to see her make up for that surprising Sedgefield eclipse by outpacing Colspar.

A second likely Oliver winner is the lightly raced *Border Skirmish*, a fast finishing third behind Stay-Bell and Cantastar on this track early last month. Border Skirmish goes for the Wee Half Novices Chase (3.00).

NEWBURY

12.30—Accord
1.00—Salado
1.30—Royal Thrust*
2.00—Lyon Del Mar
2.30—Shock Result
3.00—Station Master

AYR

1.00—Bannow Bay***
1.30—Dormitor
2.00—Black Mac
2.30—Lothian Countess
3.00—Border Skirmish
3.30—Great Lad

WORCESTER

12.45—Coole Abbey
1.15—Brown Admiral
1.45—El Menino
2.45—Carroll Street

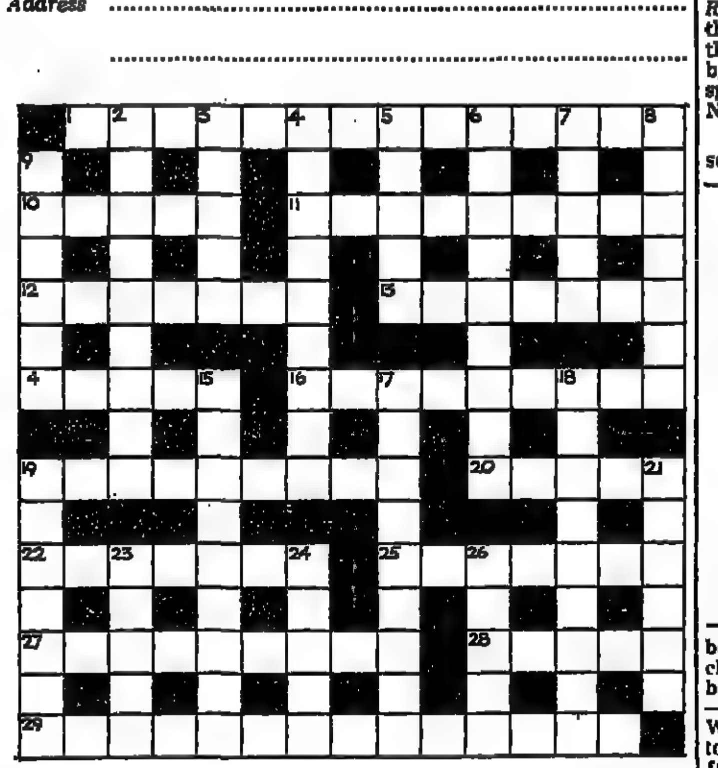
F.T. CROSSWORD PUZZLE No. 2,969

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



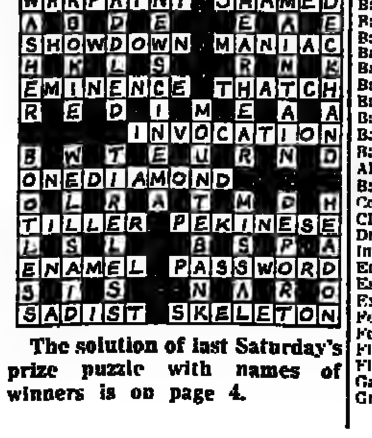
ACROSS

1 Actor in repertory has to be an all-rounder (3, 2, 4, 5)
10 A graduate on this paper gets behind (5)
11 Engaging musical arrangement wins no backing (7, 2)
12 On rent I fall out with monotonous singer (7)
13 Resistance becoming heated when currently charged (7)
14 A little light thrown on broken leg before morning (5)
16 Pub sore with chap pulling pints (9)
19 Cross put underground by faction (9)
20 Amalgamated by French leader at second hand (5)
22 Close case for face powder (7)
25 Show MC how to take care of member before . . . (7)
27 . . . fashionable teaching brings immediate perception (9)
28 First hesitant sound from a heavy drinker (5)
29 Anthology considered excellent by Government department (6, 8)

DOWN

2 Solitary state could leave one flat (9)
3 Many times from 10 (5)
4 Keen saver with capacity to be unhappy (9)
5 Explosive ingredient of the Toscanini treatment (5)
6 First complaint concerning high-class joint (5, 4)
7 Crook with Irish accent beheaded (5)
8 Superior politician will shed no tears (7)
9 Fence becoming ashen (6)
15 Stake out they say a place for jewelry material (9)
17 Lack of communication could make Crete nice (9)
18 Indisposition driving a decorator up the wall (9)
19 Moving by degrees into church in Gateshead (7)
21 Boring non-alcoholic listener inside (6)
23 Copper maybe bumped into a student (5)
24 Boy wanting more tobacco (5)
26 Phoney upset about West-end branch of science (5)

SOLUTION TO PUZZLE No. 2,968



The solution of last Saturday's prize puzzle with names of winners is on page 4.

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

MILAN

PARIS

SWITZERLAND

BRUSSELS/LUXEMBOURG

AMSTERDAM

STOCKHOLM

OSLO

VIENNA

AUSTRALIA

TOKYO

COPENHAGEN

JOHANNESBURG

SPAIN

Welsh Agency chief outlines priorities

FINANCIAL TIMES REPORTER

RETURN on investment and the contribution which will be made to the economy will be the main criteria which the new Welsh Development Agency, with a £100m. budget, will use in deciding which projects or investment programmes to support, Sir David Davies, the chairman, promised at the inaugural Board meeting yesterday.

Sir David, former general secretary of the Iron and Steel Trades Confederation, warned that the WDA, the counterpart in Wales of the National Enterprise Board, would not be able to achieve its objectives merely by pumping more money into industrial investment.

In deciding how to spend the £100m., the agency would want to be sure the money was invested wisely.

"It is important to stress that the WDA has not been set up to bale out non-viable projects; neither is it our function to provide financial aid from our own funds in cases where firms in difficulties require temporary assistance on a non-commercial basis."

In such cases where the Government felt there were special reasons for involving the agency, there would be a special direction and funds would be supplied under the Industry Act, 1972.

The agency, which has started life at a time when unemployment in Wales has climbed to more than 7 per cent. of the total labour force, has been given wide powers to promote economic development, employment, industrial efficiency and environmental improvement in Wales.

The agency is taking over the work of the former Welsh Industrial Estates Corporation and will, as a result, be responsible for some 375 Government factories in Wales and 2,600 acres of land.

The WDA will also have responsibilities in the field of derelict land reclamation which since 1966 has been handled by a special unit in the Welsh Office.

Mainly as a result of Government-assisted local authority schemes, a total of around 8,000 acres has been cleared in Wales in the past 10 years at a cost of more than £23m.—£20m. of which was provided from central funds.

It was hoped to press ahead with the reclamation programme, though constraints on public spending might make necessary the deferral of some schemes in the £13m. programme announced by Mr. John Morris, Secretary for Wales.

Sir David told the meeting at Treforest, Mid-Glamorgan, that the remaining Board appointment—that of chief executive—would be filled soon. The deputy chairman and seven Board members were appointed before Christmas.

Uncontrolled growth warning

MORE GROWTH pursued for all time was a dangerous illusion that in the end would kill us all, Mr. David Ennals, Minister for Foreign and Commonwealth Affairs said yesterday.

He told 700 sixth form students at the annual conference of the Council for the Education of World Citizenship, that the world faced four threats—the population explosion; food shortages; resource depletion; and environmental depredation.

These problems had to be tackled locally, nationally, regionally and on a world scale, he said. Developing countries, for example, might find it difficult to meet pollution control costs. It was up to others to help.

Mr. Ennals added, however: "So far, I am by no means satisfied that either the world's leaders or their people are genuinely facing the challenges."

Mr. Ennals said the meeting of world leaders in Rambouillet recently to discuss the world economic situation had come up with a short term solution based on the resumption of growth in production and consumption.

"Short-term solutions are essential to our recovery, but are they enough? I am personally convinced that growth and more growth as a target to be pursued for all time is an illusion and a dangerous one.

"In the end it will kill us all," he said.

World copper stocks rise

NEW YORK, Jan. 2.

WORLD refined copper stocks rose 17,700 short tons during November 1975 to 1,179,000 tons from 1,161,000 tons in October, the American Bureau of Metal Statistics reported. This compared with the world stocks total of 569,400 tons at the end of November 1974.

Meanwhile it was confirmed in Santiago that the El Salvador copper mine suffered no damage following an earthquake yesterday. Reuter

New Krupp chief executive takes over

By Guy Hawtin

FRANKFURT, Jan. 2.

HERR HEINZ PETRY has taken over as the new chief executive of the Friedrick Krupp steel-making concern. His appointment was announced earlier this year.

Unlike the man he follows, Herr Petry, a qualified engineer is a long-service Krupp executive. Formerly, he headed the group's steel construction and engineering division and was appointed deputy chief executive of the group in the middle of last year.

Dr. Ernst-Wolf Mommsen, the 65-year-old retiring chief executive, headed the Krupp executive board for three years. Mommsen's appointment represented a departure from the Krupp tradition of picking their heads from within the organisation.

Younger men

A former executive of the rival Thyssen concern and a friend of Chancellor Helmut Schmidt—whom he served as a State Secretary in the Defence and Economic Ministries—Dr. Mommsen was responsible for modernising the Krupp empire. He shook up the management, put younger men in charge of departments and on the Boards of the group's subsidiaries. He also ended the traditional Krupp "go it alone" policy towards consortia projects.

BANK RETURN

	Wednesday Dec. 31 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT	£	£
LIABILITIES		
Capital	14,553,000	—
Public Deposits	22,278,091	— 1,718,679
Special Deposits	980,316,000	—
Bankers	487,479,161	+ 195,880,157
Reserves & Other Accs.	350,312,888	+ 43,636,693
	1,854,922,130	+ 237,657,171
ASSETS		
Govt. Securities	1,475,051,535	+ 288,335,000
Advances & Other Accs.	357,346,748	— 48,794,181
Premises, Equipt. & other Secs.	22,904,732	480,357
Notes	8,455,305	— 1,478,012
Coin	170,814	— 5,299
	1,854,922,130	+ 237,657,171
ISSUE DEPARTMENT	£	£
LIABILITIES		
Notes Issued	6,350,000,000	— 175,000,000
In Circulation	6,340,544,695	— 173,521,988
In Bank'g Dept.	9,445,305	— 1,478,012
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	5,665,096,579	— 197,537,635
Other Securities	673,888,321	+ 22,537,735
	6,350,000,000	— 175,000,000

APPOINTMENTS

International Timber new chairman

Mr. R. E. Groves, chief executive of INTERNATIONAL TIMBER CORPORATION, has become chairman in place of Mr. Robert Law, who has relinquished that position and will retire from the Board on February 27.

*

M. Jacques Calvet has been appointed general manager of BANQUE NATIONALE DE PARIS. He succeeds M. Gaston Défossé, who has become honorary general manager.

*

The following have been appointed to serve as members of the advisory committee on the Census of Production for a three-year term ending December 31, 1978: Mr. M. C. Fessey (chairman), Business Statistics Office); Professor A. D. Bain, University of Stirling; Mr. C. A. Davies, Membrain; Mr. D. R. Glynn, Confederation of British Industry; Mr. G. F. Regan, Iron and Steel Statistics Bureau; Mr. J. Hanna, Trades Union Congress; Mr. C. D. Hughes, Renold; Mr. A. M. Millwood, John Laing Construction; Dr. B. Mitchell, Business Statistics Office; Mr. W. A. Newsome, Association of British Chambers of Commerce; Mr. A. A. Sorrell, Central Statistical Office; Mr. A. L. Waddams, BP Chemicals International; Mr. J. D. Wells, Department of Industry; Mr. A. Wilson, Price Waterhouse and Co.; Mr. G. H. Wilson, Delta Metal Co. Joint Secretaries of the Committee are Miss H. G. Morgan and Mr. R. C. Woods of the Business Statistics Office.

*

Mr. David S. Carryer, currently production director of Staffordshire Potteries, has been appointed to the main Board of STAFFORDSHIRE POTTERIES (HOLDINGS).

*

Mr. J. Gallacher has been appointed financial director of the BENTLEY ENGINEERING GROUP and certain subsidiaries, not Mr. J. Gallagher, as reported yesterday.

*

Sir Gordon Newton has resigned from the Board of PEARSON LONGMAN.

*

Mr. E. M. Freeman has been appointed a managing director of GALBRAITH WRIGHTSON. Mr. Freeman joined Matthews Wrightson Burbidge in 1960, and on the amalgamation of that company with Galbraith Pembroke became a director of Galbraith Wrightson.

*

Mr. Francis L. Waring has been appointed chairman of the SOLID SMOKELESS FUELS FEDERATION, succeeding Sir Frederick Scopes, who has retired.

*

Mr. A. G. Ball has been appointed managing director of BARLOW HANDLING GROUP, with responsibility for the development of regional trading operations. Mr. Ball is a director of Thos. Barlow (Holdings), the parent company. Mr. J. M. McCarthy becomes financial director of Barlow Mechanical Handling, with overall responsibility for systems development.

*

Mr. James Morton has been elected chairman of the BUTTER INFORMATION COUNCIL in succession to Mr. Robert Moore, U.K. and European representative for the Australian Dairy Corporation, who has been chairman of the Council since 1959. Mr. Morton is managing director of the Milk Marketing Board of England and Wales.

*

Mr. Michael R. Dunnett, previously chief surveyor to the Prudential Assurance Company, has joined the partnership of HILLIER PARKER MAY AND ROWDEN and will be senior partner of their City office.

*

Mr. Roger D. Turner, who joined the Board in 1974, has been appointed chairman of FIRMIN AND SONS in succession to Mr. W. L. Barrows, who has retired.

*

Dr. Antony J. W. Cameron has joined the Board of WILLIAM BAIRD AND CO. and becomes vice-chairman and chief executive of its subsidiary, William Baird Textiles. Dr. Cameron was previously the vice-president responsible for the European textile operations of Bunker Ramo Incorporated.

*

Mr. Alexander Dowie has retired from the Board of the VICTORY INSURANCE COMPANY and its subsidiary, Treaty Reinsurances. He was deputy chairman from 1955 until 1971. Mr. Ian Stewart, Conservative MP for Hitchin and a director of Brown Shipley and Co., has been appointed a director of the company.

*

Mr. R. F. Fotheringham, chairman of the business supplies division of the company, has been appointed an executive director of LAMSON INDUSTRIES.

*

Mr. M. G. T. Webster has been appointed a non-executive director of the DICKINSON ROBINSON GROUP.

*

Mr. Geoffrey Carson has been appointed a director of CUMMINS DIESEL SALES AND SERVICE, a member of the Blackwood Hodge Group. He joined the company in 1972 as commercial manager.

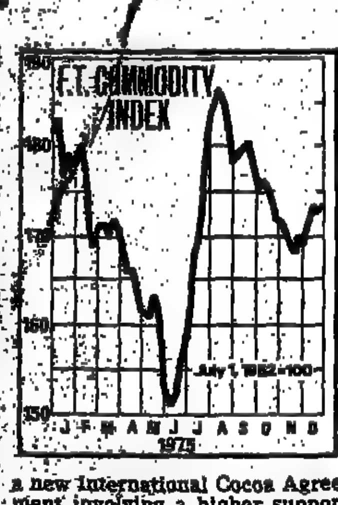
*

Mr. D. G. Hare, general manager and a director of the New Zealand Insurance Company, has joined the Board of the NEW ZEALAND INSURANCE COMPANY (U.K.).

COMMODITIES/Review of the year

Starting 1976 on a firmer note

BY OUR COMMODITIES STAFF



COMMODITY MARKETS started the new year on a generally firm note. The Financial Times Commodity Index ended 1975 at a similar level to the beginning of the year after hitting a low point in June. The index was boosted by the rise in grain prices, following the failure of the Soviet crop which effectively ruled out the build-up of surplus world grain stocks. Frost in Brazil during July brought a steep rise in coffee values, and cocoa, cotton, rubber and wool all ended the year at peak levels. However, base metal values remained depressed awaiting an upturn.

After ending 1975 at new highs for the year cocoa values on the London terminal market eased back yesterday with the second (March) position closing at £722.5 a tonne, £6 up on the week, and £96 higher than at the beginning of 1975.

With the recession in consumer spending still hitting consumption during the first half of 1975 cocoa values were generally depressed but later in the year the market trend strengthened considerably in response to signs of a levelling-off in the downward consumption trend and to indications that producers were holding back on export sales despite good output surpluses. The year saw an agreement on a new International Cocoa Agreement involving a higher support price level within a wider dealing range but this was not thought to have had a significant effect on market prices.

Coffee prices also registered a sharp rise in the second half of the year but in this case the advance took place in a matter of a few days and was in response to what was probably the worst frost disaster in the history of Brazil. The July frost boosted nearby futures prices by £365 in only three days and though values settled back later the second futures position ended the year some £340 higher at nearly £800 a tonne. Prices eased a little yesterday with the March position ending at £789.5 a tonne, down £7 on the week.

After prolonged talks world coffee producers and consumers succeeded in November in agreeing on a formula for a new International coffee pact to take effect from October 1 this year.

Rubber prices also ended the year at new highs with the No. 1 RSS spot quotation ending at 38.5p a kilo, up 14.5p on the year. Last month saw the end of protracted discussions among members of the Association of Natural Rubber Producing Countries (ANRPC) on a draft agreement for an international rubber price stabilisation scheme which was originally proposed by Malaysia back in May.

Bradford wooltops ended the year at a high of 210p a kilo, compared with a low of 172p. This reflected the generally more optimistic outlook for wool with demand reported to be picking up, albeit somewhat slowly. However, heavy support buying by the Australian Wool Corporation was needed to sustain the minimum floor price in Australia, and involved the build-up of a massive stockpile.

In addition, surplus stocks have also been built up in New Zealand and South Africa. However, it is known that consumer stocks have been run down to a very low level.

Sugar values on the London world market moved up yesterday, with the London daily price for raw sugar up by £5 to £165 a ton. This is a far cry from the £480 level in January last year, but still well above the low of £128 touched in mid-June.

Inevitably after the astronomically high price levels reached in 1974, demand for sugar on the world market fell back sharply. In fact, poor weather meant that beet crops in the European Community and the Soviet Union were well below expectations. But extra plantings in the EEC meant that actual production has increased and the USSR has shown no sign of buying interest in the world market so far.

The London Metal Exchange was closed on January 2, symbolising the subdued trading activity throughout 1975. Copper prices traded last year in the relatively narrow range of £498 to £626 for cash wirebars and for the moment there seems little pospect of any dramatic change, although the undertone is firmer on hopes of a recovery in demand and a slow-down in the rise of warehouse stocks—up during 1975 from around 132,000 tonnes to an all-time peak of 496,975.

Tin stocks also reached a peak of 7,225 tonnes, but the market was held up by heavy support buying by the buffer stock of the International Tin Agreement and the imposition of severe curbs on exports by the main tin exporting countries, which continue in the first quarter of 1976 to cut sales by over 20 per cent.

The buffer stock has had to be bolstered by additional stand-by credits totalling £36m. in one of the most momentous years for the Tin Agreement.

LME warehouse stocks of lead ended the year at a peak level of over 85,000 tonnes compared with 20,000 tonnes at the beginning of 1975. During the year lead producers were forced to stop supporting the market as the buying of surplus supplies proved too onerous and prices dived to a low of £145 a tonne for cash lead before recovering to £167.

Nineteen seventy-five saw the emergence too of support buying by zinc producers to prevent the LME zinc market from undermining the official European zinc producers' quotation. Cash zinc on the LME fell to a low of £295 a tonne at one stage before recovering to the present level of £343. The European producer price was raised in October from £360 to £390 a tonne, and subsequently it was decided to switch its basis away from sterling to a dollar quotation of $795 a tonne. This is well above present LME levels.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975/76 High	1975/76 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest price	Ch'ge on week	Year ago	1975/6 High	1975/6 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MARKET REPORTS

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

SMITHFIELD—Meat market closed.

MEAT COMMISSION—Average fatstock prices at representative markets on January 2. England and Wales—Cattle: average price £23.52; Sheep: average price £40.40; Pigs: average price £5.04.

No U.K. statistics because Scottish figures are omitted. No comparisons because of holiday last week.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Spanish: 2.00-2.60; Jaffa: Shamouti/Navels 2.60-3.30; Egyptian: 3.00; Cypriot: 2.80-3.20. Satsumas—Spanish: per tray 2.70-2.90. Clementines—Cypriot: 2.80-3.30; Moroccan: 3.20-3.50. Lemons—Italian: 3.50-3.70; South African: 3.00-3.70; Greek: 3.00-3.60. Grapefruit—Cypriot: 2.30-3.20; Jaffa: 2.70-3.30. Apples—French: per 20 lb Golden Delicious 72/84 1.80-1.90, Starking 1.50-1.70, Granny Smith 72/84 2.50-2.70; Italian: per pound Belforts 0.07, Rome Beauty 0.08, Jonathans 0.07; Hungarian: per 44 lb 4.20. Pears—Italian: per pound Passacrassane 0.08-0.09. Melons—Spanish: per 10 kilos 3.60, 15 kilos 6.80. Peaches—South African: 1.40-2.10. Apricots—South African: per pound 0.35-0.40. Plums—South African: per pound Beauty / Santa Rosa 0.30-0.35, Methley 0.22-0.24. Grapes—Spanish: per pound Almeria 1.50-1.80; Californian: per 23 lb Red Emperor 5.00. Dates—Iraqi: per packet 0.08. Tomatoes—Spanish: 1.00-1.30; Canary: 1.20-1.80. Onions—Spanish: 4/5 5.40-5.80; Dutch: 3.10-3.40; Polish: 4.00. Cucumbers—Canary: 2.00-2.30. Chestnuts—Italian: 2.80-3.80.

English produce: Mushrooms—per pound 0.20-0.30. Lettuces—per 12, round 1.50. Potatoes—per 56 lb Whites 3.50, Edwards 3.80-3.90. Cabbages—per bag Primo 1.40. Apples—per pound Cox's Orange Pippin 0.09-0.12, Bramley's 0.08-0.11, Laxton's 0.08. Celery—per 12 0.90, prepacked 20/25 2.50. Sprouts—per pound 0.07-0.12. Onions—per 56 lb 3.10-3.40. Swedes—per 28 lb Devon 0.60-0.70. Carrots—per 28 lb 0.50-0.60. Pears—per pound Conference 0.12-0.14, Comice 0.15. Beetroots—per 12 lb 0.70. Parsnips—per 28 lb 1.20-1.30. Rhubarb—per 14 lb 0.10-0.12.

*

COTTON—Liverpool. Spot and shipment sales amounted to 190 tonnes, bringing the total for the week to 845 tonnes against 255 tonnes, reports F. W. Tattersalls. Although demand was quiet the strong tone in prices accentuated the requirements of customers. African and Middle Eastern growths were in chief request.

*

COPRA—Philippines (per tonne): Feb. and March $216 resellers c.i.f. North European ports.

LEAD DEPOSITS DISCOVERED IN YUGOSLAVIA

BELGRADE, Jan. 2.

Rich deposits of lead and zinc ore, containing from 5.5 to 11 per cent. of metal, have been discovered near the Serbian town of Bosiljgrad, the Yugoslav news agency Tanjug reported.

The deposits, in the Besna Kobila mountain, are estimated at 8m. tonnes of ore, but experts who are continuing exploration expect deposits to be much richer and larger, Tanjug said. Reuter

FINANCIAL TIMES

Jan. 2	Dec. 31	Month ago	Year ago
174.42	173.58	169.35	181.50

(Base: July 1, 1952=100)

REUTER'S

Jan. 2	Dec. 31	Month ago	Year ago
1180.9	1175.2	1144.6	1172.0

(Base: Sept. 18, 1931=100)

DOW JONES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOODY'S

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(Dec. 31, 1931=100)

U.S. Markets

Cocoa price and silver very firm

NEW YORK, Jan. 2.

COPPER closed steady on local short-covering and Commission-house buying. Silver finished firm on trade buying which touched stop-loss purchases. Cocoa closed strong on good speculative buying. Grains finished mixed in quiet conditions with local buyers and Commission-houses on both sides of the market. Coffee and sugar and platinum markets were closed for the holiday, Bache reports.

Cocoa—Ghana spot 73½ (73½). Bahia spot 73½ (70½). March 66.75 (65.75), May 64.05 (63.65), July 62.15, Sept. 60.55, Dec. 59.40, March 56.90, May unquoted. Sales: 1,368 lots.

Coffee—"C" Contract: Closed.

Copper—Jan. 55.00 (54.80), Feb. 55.40 (54.90), March 55.20, May 56.30, July 57.70 settlements. Sales: 1,658 lots.

Cotton—March 62.06-62.20 (60.57), May 62.55-62.75 (61.37), July 62.40-62.57, Oct. 59.25, Dec. 57.48, March 57.70-57.80, May 57.80 bid. Sales: 3,350.

¢Gold—Jan. 140.40 (140.30), Feb. 141.20 (141.00), March 141.80, April 142.50, June 143.90, Aug. 145.50, Oct. 147.10, Dec. 148.80, Feb. 150.50, April 152.20 settlements. Sales: 468 lots.

Greasewool—Spot 170.0 nom. (same). March 164.5-170.0 (162.5-170.0), May 162.5-168.0 (160.5-168.0), July 160.5-165.0, Oct. 160.5-165.0, Dec. 160.5-165.0, March 160.0-165.0, May 160.0-165.0.

New York sugar, coffee and platinum markets remained closed yesterday.

†Lard—Chicago loose 16.50 nom. (same). NY prime steam 18 traded (same).

††Maize—March 261½-261½ (261½-161½), May 267½-267 (267½-267½), July 271-271½, Sept. 267½, Dec. 262, March 268½.

‡Platinum—Closed.

‡‡Silver—Spot not available (418.90). Jan. 423.00 (418.10), Feb. 424.80 (420.90), March 427.50, May 433.80, July 440.10, Sept. 446.30, Dec. 455.60, Jan. 458.80, March 465.30, May 471.80 settlements. Sales: 19,856 lots.

*Soyabeans—Jan. 449-448½ (448½), March 457½-458½ (459), May 466-465½, July 473½-474, Aug. 477, Sept. 483-482, Nov. 489, Jan. 497.

bSoyabean Meal—Jan. 127.90-127.80 (128.40-128.30), March 130.70 (131.10-131.40).

Soyabean Oil—Jan. 15.55-15.60 (15.55), March 15.75-15.80 (15.73), May 15.95-16.00, July 16.15-16.20, Aug. 16.20-16.25, Sept. 16.25, Oct. 16.30, Dec. 16.35-16.40.

Sugar—Spot 14.15 (13.75). Market closed.

Tin—390.00-397.00 asked (same).

**Wheat—March 338½-337½ (335½-336), May 344-343½ (341½-342), July 345½-345½, Sept. 352½.

WINNIPEG, Jan. 2. ††Rye—May 240½ (241), July 240 bid (239 bid), Oct. 233 bid.

cOats—May 163 (161½ bid), July 158½ bid (158 nom.), Oct. 153 bid.

§Barley—May 239½ (240), July 237½ (236 bid), Oct. 232 bid.

dFlaxseed—May 645 bid (639½ bid), July 643 bid (638½ bid), Oct. 625 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 473½ (same).

All cents per pound ex-warehouse unless otherwise stated. [illegible]

FT CLIPPER RACE BY ALEC BEILBY

Kriter II limps back to Sydney for repair

SYDNEY, Jan. 2.

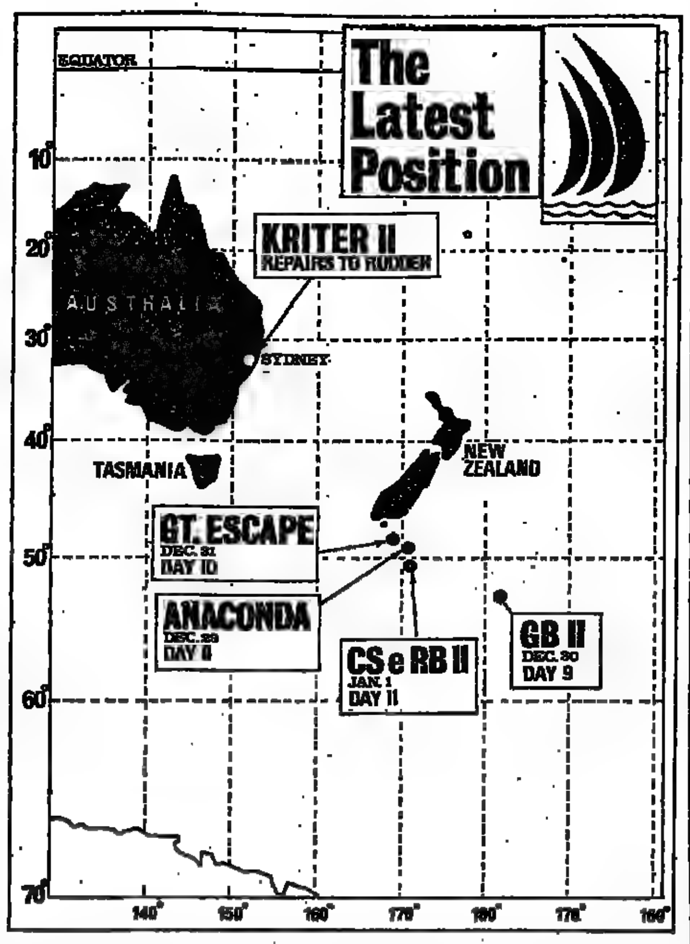
THE FRENCH Ketch Kriter II, heading back to Sydney for the past seven days without her rudder, is now thought to be about 100 miles from port, helped by moderate Easterly winds and a light swell.

Officials from the Maritime Services Board and the local police will be on hand to help her crew with the last miles from the entrance of Sydney Harbour to the mooring already offered by the Cruising Yacht Club of Australia, a berth only recently occupied by the largest yachts in the Sydney to Hobart yacht race, Kialoa and Windward Passage.

In addition, a slipway near the berth will be free. Plans of her hull and underwater lines are on the way from London so that local shipwrights can make a new rudder and stock.

Whether her crew will then decide to resume in the Financial Times Clipper Race is still not known, as there has been no contact with the yatch since she was sighted and contacted on radio by a military search aircraft three days ago. This has complicated life for those preparing for her arrival, both at the official level and on a more personal level.

Many Sydney yachtsmen, making their own calculations and listening to the encouraging guesswork of local radio stations, are hoping that Kriter will make port during daylight over the week-end, so that they can greet her in the unique waterborne Sydney manner.



Compensation

Once the Clipper Race left Sydney, plotting of the progress of the five competing yachts virtually stopped in Australia, and not until the search began for the French crew did the charts of the Southern Ocean between Australia and Cape Horn reappear. The yachts still continuing to London are either reporting to London or their own countries, who are passing positions and other details to race control.

The future of Kriter II is one of the questions that will have to be answered when she arrives, for she is under a contract of charter from her owners, Alan Smith and Leslie Williams. If Olivier de Kersauson decides to continue with the race and make for home via Cape Horn they would reach Britain towards the end of March.

But the weather at Cape Horn becomes less predictable as the year passes. If they officially withdraw from the race they will probably sail home through the French islands of the Pacific, Panama and the French West Indies, a voyage that will be the envy of many and possible compensation for an obviously disappointed crew.

The cream of French long distance crews have always seemed to have struck bad luck in the waters of the Tasman Sea, for it was in almost exactly the same area two years ago, and at almost the same time, that Eric Tabarly and his team abroad Pen Duick VI lost their mast for the second time in the last race around the world, returning to Sydney to January 2.

Several of the crew now aboard Kriter II, including skipper Olivier de Kersauson, were aboard Pen Duick VI at the time, and it is perhaps ironical that before leaving Sydney nearly two weeks ago de Kersauson told me that he would keep his eyes open for the lost mast when approaching New Zealand. Perhaps one must be grateful that it is only a rudder and a mast that lie 15,00 feet below the Tasman Sea.

Meanwhile, Great Britain II, the British joint Services entry skippered by Roy Mullender, is racing ahead well out into the Southern Ocean and is believed to be about 500 miles in front of Anaconda II, the Australian yacht skippered by Josco Grubic. The reports that Anaconda had damaged her mast and rigging are still unconfirmed.

CS and RB II Busnelli, the Italian schooner skippered by Doi Malingri, has obviously recovered from her "knock down" which happened, it is believed, some time on Boxing Day.

She was righted without any reported damaged, but it did cost her some time and position, with the Great Escape overtaking her. This lost ground was made up on December 30 when CS and RB raced alongside the Dutch Great Escape only about 50 metres apart for some time before pulling ahead.

Skipper of the Great Escape, Dirk Nauta reports that his crewman Jan Carree, who was badly injured with cuts to the head and leg after being dashed to the deck from the guard rail where he was working, is well. The nurse on board, Jose Detmers, stitched him up, but for safety Carree has been confined to his bunk where he will stay until the stitches are taken out on January 5. No infection has set in and his recovery is expected to be complete very shortly.

Latest positions of the contestants are as follows: Great Britain II at 10.30 GMT on December 30 was at 53° South, 178° 20' West, Anaconda II on December 29 was at 48° 10' S., 170° 30' E., CS and RB II Busnelli at 10.45 GMT on January 2, 50° 07' S., 171° E., Great Escape at 1300 GMT on December 31 was at 48° 25' S., 171° E.

Kent oil refinery plan given go-ahead

MR. ANTHONY CROSLAND, Secretary of State for the Environment, has granted outline planning permission for an oil refinery at Cliffe Marshes, near Rochester, Kent, together with railway terminal facilities at Hoo Junction and pipelines between the terminal and the refinery.

The permission is subject to a condition that no deliveries of oil, oil products or by-products shall be made from the refinery or the terminal except by sea, pipeline or rail. Permission for an access road from the proposed terminal to Gravesend Road, Higham, has been refused.

The decision follows a public local inquiry which opened in 1972 into the application by Burmah-Total Refineries Trust to the former Stroud Rural District Council (acting on behalf of Kent County Council) to build a refinery and ancillary facilities at Cliffe.

In an initial report the inquiry inspector, Mr. H. M. A. Stedham, recommended refusal of planning permission. While he found no serious objections on the grounds of pollution, noise, navigational safety or agriculture, he considered there were sufficient objections on the grounds of impact on a relatively unspoilt coastal area, the consequences over a wider area and the inadequacy of the existing road network.

Following this report, Mr. Crosland announced in March, 1974 that he was satisfied that it was in the national interest for additional refinery capacity to be made available to meet expected requirements in the South East. He recognised, however, that the present road system in the vicinity of the proposed refinery was inadequate for the resulting volume of tanker traffic.

He stated that he had it in mind to refuse permission for the access road and to grant outline permission for the refinery and other ancillary facilities subject to a condition that deliveries of oil, oil products and by-products to or from the refinery or terminal should be made only by sea, pipeline or rail. He decided, however, to give all parties the opportunity to make further representations before his final decision.

At the request of several parties Mr. Crosland agreed in December, 1974 to re-open the inquiry, chiefly on the grounds that the development which would result from the proposed planning permission would differ substantially from the development proposed in the planning application: and that material considerations relevant to the proposals had changed. The inquiry was re-opened in April, 1975.

Restrictions

Burmah-Total was prepared to proceed with the development without a definite indication as to when refinery products could be distributed by road; the company was prepared to distribute refinery products by rail and sea. It also accepted a condition restricting refinery capacity to 6m. tons a year.

Mr. Crosland concluded that the need for the refinery has been established. There was evidence of a deficit in domestic refining capacity in the South East. The need to provide for exports strengthened the case for additional capacity.

He saw no planning objection to the proposed distribution of refinery products by rail or sea. Given the need for the refinery, it would be unrealistic to wait until the Wainscott Northern bypass, which would provide a route for tanker traffic, had been constructed. He had noted that the applicants had offered to contribute towards the improvement of the road B2000 for other traffic; and he was impressed by the applicants' argument that the refinery could not be built elsewhere at such low infrastructure costs.

Allaun attacks cuts in social spending

CUTS in social spending which will be bitterly resisted when Parliament resumes, are "bound to cause even more serious unemployment," Labour MP Mr. Frank Allaun warned his East Salford constituency party in a New Year message.

"I intend to raise the matter on the National Executive Committee this month. The grim days referred to by Denis Healey this week will be even grimmer if workers providing vital services are thrown out of work.

"If it is right to save the jobs of Chrysler car workers it is equally right to save the jobs of building workers, nurses, home helps and teachers. They provide equally important services."

SNOW REPORTS

CINEMAS

HOLIDAY ACCOMMODATION

Worldscale tanker freight rates revised

REVISED - Worldscale nominal freight rates for tanker chartering which were announced in December by the International Tanker Nominal Freight Scale Association in London and the Association of Ship Brokers and Agents (Worldscale), Incorporated in New York have come into effect.

The Worldscale nominal freight rates, published in U.S. dollars, have mostly been increased slightly.

"Tanker business is normally conducted by agreeing at a Worldscale figure which is a percentage of the nominal freight rate, market sources noted.

Tanker brokers said business fixed against the new schedule may be at slightly lower Worldscale rates so that the actual dollar-cost for the oil will be in line with the amount paid under the 1975 schedule.

But, they added, it may be some time before all business is finalised against the new schedule, and with both schedules in use, a slightly irregular rate structure may emerge.

This week's SE dealings

Friday, January 2	4,317	Tuesday, December 30	4,952	Wednesday, December 24	[illegible]
Wednesday, December 31	6,003	Monday, December 29	2,952	Tuesday, December 23	[illegible]

The list below records all Wednesday's markings and also the latest markings during the week of any share not dealt in Wednesday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $M—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (615)

FOREIGN STKS., BDS., ETC. (1)

CORPN. STKS.—FOREIGN (1)

U.K. AND COMMONWEALTH RAILWAYS (2)

BANKS & DISCOUNT COS. (239)

CORPN. & COUNTY—U.K. (24)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BDS., ETC.—U.K. (15)

FREE OF STAMP DUTY

N. Ireland Elec. 5½pcGtd.Stk. 6½pc 62¼ (29/12)

Port of London Authority 5½pc 73⊕ (31/12)

Staffordshire Potteries Water Board 11½pc 87⊕ (31/12)

Agricultural 6½pcDb. 45½ (31/12). 7¼pc Db. 1981-84 72. 9½pcDb. 1983-86 76 (31/12). 14½pcDb. 103½⊕

Finance for Industry 13pcLn. 93½⊕

SUBJECT TO STAMP DUTY

Agricultural Mortgage Cpn. 3pcDb. 43

COMMONWEALTH, GOVT. AND PROVINCIAL SECURITIES (6)

REGISTERED AND INSCRIBED STOCKS

Australia (Commonwealth) 3pc 90¼ (30/12). 5½pc 1976-78 86⊕. 5½pc

BREWERIES & DISTILLS. (82)

CANALS & DOCKS (1)

COMMERCIAL, INDUSTL. (3,180)

A—B

C—D

E—F

G—H

I—J—K

Poseidon 190
Rembrandt Grp. 202
Safeway Stores £36¼
Selangor Coconuts 34
Tyo Trust £18¾
TriContinental £14 15
Unilever 57
Wheelock Marden A 33½
Whim Creek 44
Woodside Burmah 149 70 8 6 7
Yukon Cons. 91

DECEMBER 30

Anglo Utd. Devpts. 91 4
Beach Petroleum 25 7 8
Bougainville Copper 97 5
Carpenter (W. R.) 150
Ciba Geigy 8pc £111 10
Cornwall Equities $US6⅞
Donaldson Lufkin and Jenrette 140
Foote Minerals 555
Gulf and Western 9¾pc $US94
Hong Kong Land 119¼
Hutchison Intl. 31½
Jardine Matheson 384 50 6 91
Lend Lease Cpn. 288
Lockheed 670
McArthy Rodway 70
Metal Exploration 36
Myer Emporium 208
National Bk. Australasia (Aust. Reg.) 294. New 135
Oil Search 32
Pancontinental Mining 915
Peko Wallsend 437
Poseidon 185 90 3
Southern Pacific Props. 12 11½
Steep Rock and Iron 950
Swan Brewery 163
Swire Pacific A 122
Thiess Hldgs. 245
Woodside Burmah 150 50 1
Yukon Cons. 90

DECEMBER 29

Acmex Hldgs. 20
Australian Foundation 85
Bougainville Copper $US1.21
Dorbyl (S.A.) 471 4
Exxon Cpn. £71
Hong Kong Land 113½ 18
Jardine Matheson 376 84 8 9 8
Nederland Bank (S.A.) 167
Niagara Share Cpn. $US12½
Nicholas Int. 66
Oil Search 10
Pancontinental Mining 900
Power Cpn. of Canada 580
Stellenbosch Wines 313
Swire Pacific A 119 ½ 19
TriContinental £15½
Vultan Minerals 12
Woodside Burmah 141 8 9
Woolworth Hldgs. Ord. 251

(By permission of the Stock Exchange Council)

NEW "HIGHS" AND "LOWS" FOR 1975/6

Too numerous to name individually, the 125 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There was 1 new low.

NEW HIGHS (125)

BRITISH FUNDS (9)
CORPORATION LOANS (4)
COM'WEALTH & AFRICAN LOANS (1)
BANKS (8)
BUILDINGS (11)
CHEMICALS (3)
CINEMAS (2)
DRAPERY & STORES (5)
ELECTRICALS (7)
ENGINEERING (14)
FOODS (4)
HOTELS (2)
INDUSTRIALS (24)
INSURANCE (2)
MOTORS (2)
NEWSPAPERS (4)
PAPER & PRINTING (2)
PROPERTY (7)
SHIPPING (1)
SHOES (1)
TEXTILES (4)
TOBACCOS (2)
TRUSTS (4)
OILS (1)
OVERSEAS TRADERS (1)

NEW LOW (1)

OILS (1)
Attock

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	49	1	5
Corpns. Dom. and Foreign Bonds	16	—	42
Industrials	496	45	1,136
Financial and Prop.	187	21	385
Oils	11	1	22
Plantation	8	—	30
Mines	67	12	73
Recent Issues	19	2	28

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price(p)	Change on week	1975/6 high	1975/6 low
Shell Transport	25p	50	388	+26	390	118
ICI	£1	45	339	+13	339	118
Plessey 'New'	Nil/pd.	44	7½*	+ 2½	8½*	4½*
Eagle Star 'New'	Nil/pd.	42	21*	+ 7	21*	13*
"Bats"	25p	38	356	+18	356	164
RTZ	25p	34	192	+16	211	80
Distillers	50p	33	146	+ 6	150	65½
English Property	50p	33	88½	+10½	98	25
Slater Walker	25p	32	25	+ 5	108	17
Barclays Bank	£1	30	300	+10	325	112
Beecham	25p	30	348	+13	348	116
GUS 'A'	25p	30	212	+16	226	86
Grand Met.	50p	29	81	+ 5	81	17½
GEC	25p	28	149	+14	149	51
Midland Bank	£1	28	294	+ 9	308	122

* Premium.

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Shell Transport	25p	14	388	+10	390	118
ICI	£1	11	339	+ 5	339	118
"Bats"	25p	10	356	+10	356	164
Eagle Star 'New'	Nil/pd.	10	21*	+ 3	21*	13*
Burmah Oil	£1	9	32	—	100	27
Distillers	50p	9	146	+ 3	150	65½
Land Secs.	50p	9	192	+10	251	79½
Barclays Bank	£1	8	300	+ 5	325	112
Boots	25p	8	133	+ 7	145	45½
British Land	25p	8	24½	+ 1	38	7½
Imperial Group	25p	8	84	+ 3	84	32
Marks & Spencer	25p	8	101	+ 5	128	47½
Plessey 'New'	Nil/pd.	8	7½*	+ ½	8½*	4½*
Allied Breweries	25p	7	70	+ 2	75	35½
British Northrop	50p	7	76	+10	76	35

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 23	Jan. 6	Mar. 18	Mar. 30
Jan. 8	Jan. 19	Apr. 1	Apr. 13
Jan. 22	Feb. 2	Apr. 14	Apr. 26

"Calls" were dealt in British Land, Consolidated Gold Fields, Burmah Oil, BET, Burton "A," English Property, MEPC, National Westminster Bank Warrants, Tricentrol, Town and City, Adwest, Camford, Dunlop, Dunford and Elliott, BPB Industries and Lonrho. A "put" was done in Sears, while "doubles" were arranged in John Brown, British Land, Burton "A," Trafalgar House, BOC, BPB Industries, and National Westminster Bank Warrants.

Industrials							
		Guardian	20	Spillers	8	Shell	28
		G.K.N.	22	Tesco	6	Ultramar	20
A. P. Cement	15	Hawker Sidd.	27	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	25	I.C.I.	21	Unilever	40	Anglo Amer.	30
Beecham	26	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
Boots Drug	12	I.C.L.	7	Vickers	15	Chart'rh'll Fin.	6
Bowater	15	Inveresk	7	Williams Hud'n	4	Cons Gold	18
B.A.T.	50	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lofs."	5½	Amal. Inv.	4	Hampton Areas	14
Cadburys	6	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Debenhams	8	Midland Bank	25	E.P.	8	Lonrho	15
Distillers	13	Nat'l West Bank	22	Land Securities	18	Loraine	35
Dunlop	6½	"do" Warrants	10	MEPC	9	Poseidon	56
Eagle Star	15	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T. Zinc	20
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	75
Glaxo	56	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. 'A'	17	Slater Walker	5½	Burmah Oil	4		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	12	½-year	1,000	2-5
Belfast (0232 20202)	12	½-year	500	2-3
Greenwich (01-854 8888)	12½	½-year	500	3-5
Liverpool (051 227 3911)	12½	½-year	500	3-4
Liverpool (051 227 3911)	12½	½-year	500	5-7
Manchester (061 236 3377)	12½	½-year	500	5
Oxford (0865 49811)	12½	½-year	5,000	3-5
Redbridge (01-478 3020)	12½	½-year	1,000	3-5
Sandwell (021 569 2226)	12½	½-year	1,000	2-5
Suffolk Coastal (039 43 3789)	12	½-year	500	3-5
Suffolk Coastal (039 43 3789)	11½	½-year	500	1-2
Thurrock (0375 5122)	11½	½-year	300	1-2
Wandsworth (01-874 6464)	12½	½-year	5,000	5-7
Wandsworth (01-874 6464)	12½	½-year	1,000	5-7
West Yorkshire (0924 67111)	12½	½-year	1,000	2-4
Wrekin (0952 3571)	12½	½-year	2,000	2-5

SPECIAL LIST

JANUARY 2 (Nil)

DECEMBER 31 (Nil)

DECEMBER 30 (Nil)

DECEMBER 29 (1)

Triplex Foundries Group 5¼pcCum.Pf.

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

DECEMBER 31

Anamint 30
Anglo United Devpts. 88
Aust. Mng. Smltg. 133 1
Bridge Oil 106
Carling O'Keefe 190
Ciba Geigy 8pcCnv. £110
Cockburn Cement 77
Dunlop Rubber (Australia) 112 13
Great Atlantic and Pacific Tea 840
Heller (W. E.) 20
Hutchison Intl. 31½
Industrial Selection 230
Jardine Matheson 375 8
Jardine Secs. 121
Nicholas Intl. 66
Oakbridge Secs. 75 4
Pancontinental Mining 917 200
Peko Wallsend 445

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	6.75%	7.00%	8.25%	●8.00%
Alliance	6.75%	7.00%	8.25%	‡‡7.75%
Anglia	6.75%	7.00%	8.25%	‖7.75%
Birmingham Incorporated	6.75%	7.00%	8.25%	—
Bradford and Bingley	6.75%	7.00%	§8.25%	—
Bristol and West	6.75%	7.00%	8.00%	—
Bristol Economic	6.75%	7.00%	8.25%	†7.25%
Britannia	6.75%	7.00%	8.25%	¶¶7.75%
Cardiff	6.75%	7.50%	8.50%	—
Chelsea	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester	6.75%	7.00%	—	‡7.75%
Citizens Regency	6.75%	7.25%	8.75%	—
City of London	7.00%	7.50%	8.25%	—
City and Metropolitan	6.75%	7.25%	7.50%	‡8.00%
Coventry Economic	6.75%	7.00%	8.75%	§§7.75%
Derbyshire	6.75%	7.00%	8.25%	□7.50%
Gateway	6.75%	7.00%	8.25%	¶7.75%
Greenwich	6.00%	7.10%	8.50%	—
Guardian	6.75%	7.25%	7.50%	†7.65%
Halifax	6.75%	7.00%	9.25%	¶7.75%
Hastings and Thanet	6.75%	7.00%	8.25%	—
Hearts of Oak & Enfield	6.75%	7.25%	8.50%	—
Hendon	7.00%	7.30%	—	*8.05%
Huddersfield and Bradford	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck	6.75%	7.00%	8.25%	—
Leeds Permanent	6.75%	7.00%	8.25%	—
Leicester	6.75%	7.00%	8.25%	††7.75%
Liverpool	6.75%	7.00%	8.30%	*7.50%
Magnet	6.75%	7.00%	7.75%	♡7.75%
Mornington Permanent	6.45%	7.65%	—	—
National Counties	7.00%	7.25%	8.25%	◊7.75%
Nationwide	6.75%	7.00%	7.50%	♣8.25%
Newcastle Permanent	6.75%	**7.00%	7.75%	8.00%
Northern Rock	6.75%	7.00%	8.00%	‡7.75%
North London	7.50%	8.00%	—	♣8.95%
Norwich	6.75%	7.00%	8.25%	—
Paisley	6.75%	7.00%	7.50%	¶¶7.50%
Property Owners	6.75%	7.50%	8.50%	†7.85%
Provincial	6.75%	7.00%	8.25%	7.75%
Skipton	6.75%	7.00%	8.25%	†7.25%
Sussex Mutual	6.75%	♡7.30%	—	—
Town and Country	6.50%	7.00%	10.00%	¶¶7.75%
Woolwich Equitable	6.75%	7.00%	8.25%	†7.75%

*Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 3 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ♡ Min. £100 2 yrs. fixed. ◊ Min. £1,000 6 mths. notice. ♣ 3 yrs. over £5,000. ◊ £5,000 and over 7.50%. ‡ Min. £1,000 3 mths. notice. □ Min. £5,000 3 mths. notice.

U.K. CONVERTIBLE STOCKS 2/1/76

Statistics provided by *data STREAM international*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Alcan Aluminium 9pc Cv. 89-94	12.00	58.00	100.0	76-80	14.4	15.2						
Associated Paper 9½pc Cv. 85-90	1.40	75.00	200.0	76-85	12.6	13.4	1.4	1 to 19	51.8	46.7	− 6.9	− 8.2
Bank of Ireland 10pc Cv. 91-96	10.25	147.00	35.7	77-90	6.9	5.8	19.0	9 to 22	44.8	62.2	14.0	− 4.9
BPB 7½pc Cv. 89-94	4.89	103.00	62.0	72-80	7.7	7.6	9.3	2 to 11	20.9	25.9	5.3	− 4.0
English Property 6½pc Cv. 98-03	19.16	130.00	234.0	76-80	5.0	4.5	−14.5	−27 to −2	29.2	19.7	− 6.3	+ 8.3
English Property 12pc Cv. 00-05	15.40	103.00	150.0	76-84	11.9	11.9	5.6	6 to 50	30.2	57.2	27.7	+22.0
Grand Metropolitan 10pc Cv. 91-96	125.50	99.50	120.2	73-78	10.3	10.4	4.8	1 to 14	14.7	17.5	2.9	− 1.9
Hanson Trust 6½pc Cv. 88-93	4.51	75.00	57.1	76-86	8.9	9.7	8.0	8 to 17	29.8	35.1	7.7	− 0.4
HewdenStuart 7pc Cv. 1995	0.72	150.00	280.0	75-95	4.6	3.4	15.2	− 5 to 15	54.8	44.5	− 7.9	−23.1
Lyons, J. 7½pc Cv. 1981	3.60	73.00	22.7	75-81	10.2	15.0	134.5	101 to 150	9.6	27.9	58.9	−75.5
Slough Estates 10pc Cv. 87-90	5.50	134.00	125.0	78-87	7.2	5.4	33.2	31 to 40	25.9	49.6	23.6	− 9.6
Tozer, Kemsley 8pc Cv. 1981	7.38	88.00	153.8	74-79	9.8	12.5	19.9	20 to 38	15.0	21.9	10.0	− 9.9
Wilkinson Match 10pc Cv. 83-98	11.10	86.50	40.0	76-83	10.9	11.1	44.2	42 to 59	24.6	40.2	26.1	−18.1

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Good start to markets in 1976 following MLR cut

Share index jumps 9.1 to 384.8—Golds improve

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 12	Dec. 23	Dec. 24	Jan. 7
Dec. 29	Jan. 8	Jan. 9	Jan. 20
Jan. 12	Jan. 22	Jan. 23	Feb. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With sentiment boosted by the surprise announcement of a ¼ per cent. reduction to 11 per cent. in Minimum Lending Rate, the first day of business in 1976 in stock markets started with a flourish. British Funds traded firmly throughout the session and final quotations were up to ¾ higher. The Government Securities index closed 0.36 up at 60.19, making an uninterrupted rise of 1.78 over the last 11 trading days.

Despite a low level of business—official markings of 4,317 compared with 6,003 on Wednesday—leading Industrials had one of their best day's for some time. Earlier gains were extended further by a few pence or so following the afternoon cut in MLR and the FT 30-share index closed 9.1 higher at 384.8, thus decisively breaking through the old 1975 peak of 377.8 touched November 19 last. The sharp improvement owed much to the lack of sellers and a shortage of stock.

Second-line issues were by no means left out of the picture, this being reflected in the 5-1 majority of rises over falls in FT-quoted Industrials and a gain of 1.5 per cent. in the more broadly-based FT-Actuaries All-Share index to 160.52. Of the more noteworthy sectors, Property shares were particularly good. Some fairly substantial rises were mirrored in a gain of 3.6 per cent. to 180.79 in the FT-Actuaries index for the section.

Funds surge on

Ignoring cautious views of 1976 prospects, British Funds extended their recent strong upturn. Opening firmness was not based on Minimum Lending Rate hopes, although confidence that the rate would fall began to grow from mid-day onwards and the official announcement, made at around 3.15 p.m., was thus no great surprise. By that time, medium-dated issues were showing gains extending to ¾, the result mainly of a marked stock shortage, while more genuine rises of ⅛ were appearing against low-coupon shorts. The "tap," Treasury 10½ per cent., 1979, "A," was easily the busiest issue and the Government broker, although not exhausting his supplies, raised the price for stock to 96⅝. He also withdrew from selling the long "tap," Treasury 13¼ per cent., 1997, "A," at 89½, but was not established yesterday as a seller at 89¾. Corporations were not overlooked, reviving a point in places.

The investment currency market began the New Year in a more settled but very quiet fashion and the premium edged higher to close ¾ up at 108¾ per cent., after 107¾ per cent. Yesterday's SE conversion factor was 0.6160 (0.6185).

Discounts good

Currently benefiting from the firm performance of gilts, Discounts were given a fresh boost by favourable Press comment. Prices progressed from the start and by the close, double-figured gains were common-place. Allen Harvey and Ross stood out, rising 30 to 410p in a thin market, while Cater Ryder added 15 at 280p and Gillett Bros. firmed 12 to 215p. Ahead of their respective preliminary profits statements on January 19 and 21 Alexanders hardened 7 to 240p, and Union rose 10 to 370p. Apart from Lloyds, which improved 2 more on the news to close 7 better on balance at 240p, the ¼ per cent. reduction in Lloyds base lending rate which followed the ¼ per cent. cut in Minimum Lending Rate to 11 per cent. had little impact on the big four Banks. National Westminster ended 8 up at 258p and Barclays were 5 better at 300p, while Midland closed only 2 to the good at 294p. Merchant banks firmed throughout. *Leopold Joseph added 10 at* 225p, and gains of around 3 were seen in Hill Samuel, 118p, Keyser Ullmann, 48p, and Edward Bates, 43p. Further consideration of the proposed boardroom changes helped First National Finance edge forward a shade more to 2½p.

Closing gains in Insurances ranged to 8, as in Pearl, 224p, Guardian Royal Exchange gained 7 to 202p and Legal and General 6 to 136p.

Breweries firmed throughout, with Allied 2 better at 70p ahead of next Thursday's preliminary results. Scottish and Newcastle (interim figures due Jan. 13) gained 3¼ at 58½p, while Bass Charrington were similarly dearer at 99p. Elsewhere, favourable Press comment drew attention to the Building industry encouraged Buildings to go higher. AP Cement featured with a rise of 6 to 192p, while small buying in a thin market raised Tilbury Contracting 8 further to 252p. Higgs and Hill responded to Press comment with a rise of 2 to 50p, while Heywood Williams, 35p, put on 5.

Fresh evidence of a revival in the Building industry encouraged

ICI typified market sentiment, closing 5 higher at a 1975-76 peak of 339p following a light trade. Fisons improved 6 to 381p.

GEC in demand

Leading Electricals gained ground during a reasonable turnover, with GEC, up 7 at 149p, attracting particular attention following favourable Press comment. EMI improved 6 to 243p and Thorn Electrical 12 to 228p, while Plessey hardened 2 to 67p. Amsterdam suport left Philips' Lamp 38 up at 883p following news of the £23m. sale of U.K. television rental assets to Electronic Rentals, but the latter, after recent strength, shed 2 to 70p despite the forecast jump in dividend. Elsewhere, gains of 4 were registered in United Scientific, 92p, and Ultra Electronic, 49p, while Brocks added 3 at 49p.

Stores put on a firm showing, closing at, or near, the day's best. Marks and Spencer were raised 5 to 101p, while British Home Stores, 335p, and "Gussies" 'A,' 212p, put on 7 apiece. House of Fraser moved up 3 to 75p as did UDS to 90p. Gains of 4 were scored by Mothercare, 178p, and Dixon's Photographic, 61p. Allied Retailers held at 118p in front of Monday's interim statement.

Keeping pace with the upturn elsewhere, leading Engineerings were 6 higher including GKN, 272p, Tube Investments, 322p, and Hawker, 360p. John Brown traded less freely than on Wednesday, but still gained 2 more to 75p, while British Northrop moved up 10 further to 76p, thus continuing the strong rise since being re-quoted in mid-December. Howard Machinery responded to Press comment by rising 3½ to 46½p. Others in demand were Staveley Industries again, at 139p, up 4, and Delta Metal, which improved 2½ to 62p. Profit-taking pared this week's rise in Lesbrook, down 2 at 8p, but still 5½ up since news of the TCK acquisition of nearly a 30 per cent. stake.

Tate and Lyle continued firmly in Foods, rising 7 further to 255p for a gain on the week of 22; the preliminary results were announced January 23 last year. Associated Dairies improved 5 to 218p, while Manbre and Garton, 134p, put on 3. Brooke Bond were quoted a penny harder at 38p ex the "rights" issue, while the new nil-paid shares opened at 5p premium and closed at 6p premium following a reasonable business. Supermarkets edged higher, Kwik Save Discount finishing 3 better at 131p.

J. Lyons "A" moved up 4 to 142p in Hotels and Caterers. After recent strength, Swan Ryan eased ¼ to 12¼p following the Board reorganisation and the share disposal by the outgoing chairman, Mr. Dermot A. Ryan.

Channel Tunnel react

Light buying interest was sufficient to spur miscellaneous Industrial leaders forward to close at the day's best with gains to 12, as in Unilever, 442p. Boots rose 7 to 133p and Glaxo 8 to 373p. Wilkinson Match hardened another 2 to 153p ahead of next Tuesday's interim announcement. Elsewhere, Channel Tunnel came back 20 to 45p on the chairman knowing no reason to justify the 41p advance in the company's shares which took place earlier in the week in a limited market. Bestwood, on the other hand, advanced 7 to 17p in a thin market in response to Press mention while, in further reflection of Press comment, Camrex, 43p, and Tozer Kemsley, 48p, both gained another 3 apiece. After moving up 11 on Thursday, an investment recommendation for 1976 left Thomas French 2 firmer at 47p. Caplan Profile put on 3 to 48p despite the profits contraction. Jardine Matheson stood out in firm Hong Kong issues with a rise of 15 at 391p, helped by Press mention.

Motors and Distributors ignored the threat of a fresh round of car price increases following the Vauxhall decision to raise prices and closed quietly firm. Lucas improved 6 further to 191p, while Dunlop, 72p, and Automotive Products, 48p, put on 3 apiece.

Closely following the pattern of other equity leaders, DRG rose 5 to 123p in a basically firm Paper/Printing section: Associated Paper gained 1½ to 38½p.

Properties up again

Encouraging investment comment and the MLR cut gave fresh impetus to Properties, which encountered further active conditions that continued "after-hours" to leave prices closing at the day's best. Among the leaders, Land Securities strengthened 10 to 192p and MEPC 6 to 89p, while English Property put on 3 more to 68½p and Amalgamated Investment and Property added 1½ at 18p. Elsewhere, Stock Conversion moved ahead 11 to 166p awaiting next Wednesday's half-time results. Hammerson "A" advanced 17 to 347p, Lynton Holdings 10 to 78p, and Berkeley Hambro 8 more to 99p, while Bernard Sunley moved up 7 more in a thin market to 177p to make a rise on the week of 34. Midhurst White staged a revival of 4 to 14p.

In conditions similar to those obtaining in many other sections, namely a modest demand which aggravated a market stock shortage, Oils made good progress. Closing levels were the day's highest, Shell ending 10 up at 388p and British Petroleum 9 dearer at 592p. Continental more than U.S. influences put Royal Dutch 1½ higher to a fresh peak for 1975-76 of £34¾.

Among Overseas Traders, Lonrho improved 4 to 131p to leave a rise of 23 on the week on the Arab share deal and Press recommendations. Sime Darby, however, closed another 2 down at 95p, after 99p.

In Trusts and Financials, an investment recommendation helped Rothschild edge forward 3 to 298p.

Shippings were quietly firm. Furness Withy attracted fresh speculative attention and rose 6 to 184p, while P and O Deferred improved 2 to 101½p.

Textiles and Tobaccos contributed to the firm market trend. The leaders did well, with Courtaulds, 152p, and Imps, 84p, both firming 3, while Bats gained 10 to 356p.

Following the official changes in domicile, Highlands and Lowlands Berhad and Malakoff Berhad were quoted at 35p unchanged and 32p up 2 respectively; the last-named is quoted ex the 3 for 1 issue of new shares for old.

Golds higher

Despite the earlier modest fall in the bullion price which was finally unchanged at $140.50 per ounce and the closure of the Cape market, South African Gold shares began the year in good form. Jobbers reported a U.S. demand and the Gold Mines index rose 8.9 to 246.9, its highest level since November 14.

Financials generally mirrored Golds. London-based issues were particularly in demand on continued investment orders following recent favourable Press comment.

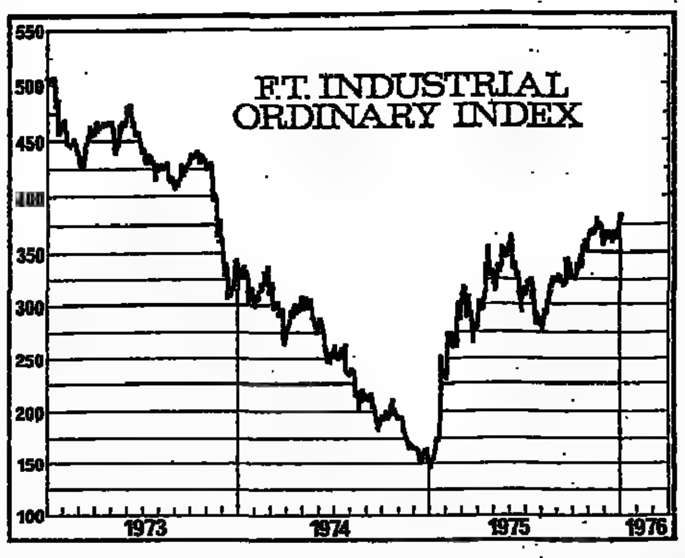
Selection Trust advanced 10 to 320p, while Charter (186p) and Gold Fields (220p) were both 6 higher. [illegible] further [illegible]. In Overseas Financials, De Beers rose 6 to 306p; the Central Selling Organisation's diamond sales figure for 1975 is due this month.

In firm Coppers, Messina rose 8 to 220p while speculative buying left Botswana RST 5 higher at 52p.

Platinums gained ground, Potgietersrust rising 6 to 158p on overseas interest.

Australians were untested due to the closure of home markets. Tins were firm in quiet trading. Copeng Consolidated and Malayan Tin both rose 5 to the common price of 175p, while Southern Kinta gained 3 to 95p.

Elsewhere, Murchison hardened to 800p, while Anglo United fell a further 4 to 85p on Canadian influences.



FINANCIAL TIMES STOCK INDICES

—	Jan. 2	Dec. 31	Dec. 30	Dec. 29	Dec. 24	Dec. 23	A year ago
Government Secs.	60.19	59.83	59.77	59.65	59.39	59.36	49.18
Fixed Interest	59.73	59.54	59.55	59.17	59.10	59.13	50.5[illegible]
Industrial Ordinary	384.8	375.7	374.8	368.1	363.4	362.8	150.5
Gold Mines	246.9	238.0	236.4	232.7	230.2	231.9	344.2
Ord. Div. Yield %	5.46	5.58	5.58	5.67	5.74	5.75	13.14
Earnings Yi'ld % (full) (a)	15.24	15.58	15.58	15.85	16.03	16.06	35.80
P/E Ratio (net) (a) (b)	9.63	9.41	9.41	9.26	9.15	9.13	3.90
Dealings marked	4,317	6,003	4,952	2,952	2,374	5,027	4,887
Equity turnover £m	—	40.92	57.75	28.92	17.66	42.55	27.04
Equity bargains total	—	13,713	14,291	9,445	5,794	11,096	9,745

10 a.m. 376.5. 11 a.m. 378.6. Noon 379.2. 1 p.m. 381.8. 2 p.m. 381.9. 3 p.m. 382.4.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.35.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	384.8 (2/1)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	218.4 (1/12)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Jan. 2	Dec. 31
Daily—		
Gilt-Edged	132.4	152.0
Industrials	132.3	197.8
Speculative	42.0	46.6
Totals	98.3	136.6
5-day Av'r'ge		
Gilt-Edged	126.3	133.2
Industrials	129.8	135.2
Speculative	35.7	35.6
Totals	93.8	97.0

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

	EQUITY GROUPS / GROUPS & SUB-SECTIONS	Fri. Jan. 2, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Dec. 31 Index No.	Tuesday Dec. 30 Index No.	Monday Dec. 29 Index No.	Wed. Dec. 24 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	143.65	+1.2	16.11	[illegible]	9.34	[illegible]	142.01	141.03	139.62	138.18	52.79	143.65 (2/1/76)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	140.77	+0.9	12.30	5.97	13.43	12.42	139.52	140.06	137.69	[illegible]	46.14	140.77 (2/1/76)	46.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	246.41	+0.6	16.39	5.87	10.74	10.74	246.86	245.50	242.64	240.91	77.10	263.54 (18/11)	74.74 (6/1)	389.33 (19/5/72)	71.48 (13/12/74)
4	Electricals (16)	250.95	+2.6	17.35	4.75	8.42	8.42	244.65	243.61	238.57	253.62	100.12	254.66 (18/11)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	163.95	+0.4	19.75	7.10	7.72	7.72	163.33	160.10	158.86	157.02	64.58	164.07 (19/11)	64.39 (2/1/75)	202.57 (3/8/73)	54.39 (2/1/75)
6	Engineering (General) (63)	125.48	+0.6	17.55	6.75	8.56	8.55	124.67	124.82	123.10	122.17	46.69	126.46 (2/1/76)	46.45 (6/1)	168.59 (4/5/72)	45.45 (6/1/75)
7	Machine and Other Tools (9)	51.29	+0.6	16.46	8.25	10.95	10.95	50.90	49.99	49.53	48.69	20.50	51.29 (2/1/76)	20.11 (2/1/75)	136.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (25)	121.55	+1.0	17.14	6.80	8.86	8.86	120.36	120.31	118.60	118.21	50.87	121.76 (8/6)	49.66 (6/1)	177.41 (27/4/72)	49.68 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	121.87	+1.2	16.25	5.14	9.88	9.87	120.46	119.16	117.42	116.14	40.12	121.87 (2/1/76)	36.59 (6/1)	227.78 (21/4/72)	36.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	139.18	+1.6	15.68	3.86	11.01	11.00	136.95	136.78	135.72	131.75	46.19	139.18 (2/1/76)	44.26 (6/1)	267.41 (19/6/72)	42.85 (12/12/74)
11	Household Goods (14)	166.36	−0.1	14.64	6.30	10.10	10.07	166.47	167.89	165.81	165.15	64.95	168.90 (19/11)	64.55 (6/1)	263.32 (4/5/73)	63.92 (17/12/74)
12	Motors and Distributors (27)	70.24	+0.9	16.32	6.79	8.58	8.58	69.66	[illegible]	67.37	66.66	21.96	70.25 (13/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	152.09	+1.7	13.09	5.72	11.27	11.16	149.57	149.62	146.55	145.58	63.37	152.29 (16/11)	61.98 (6/1)	226.09 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	[illegible]	+1.5	13.20	6.50	11.46	11.49	156.74	159.90	155.88	155.69	78.01	172.53 (12/11)	75.56 (6/1)	261.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	177.24	+1.2	10.44	5.69	14.53	14.55	175.06	174.99	170.72	171.52	83.15	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	76.81 (13/12/74)
16	Entertainment, Catering (18)	[illegible]	+1.5	11.43	6.40	14.02	[illegible]	187.12	187.33	183.77	182.94	57.73	189.84 (2/1/76)	55.26 (6/1)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	164.29	+1.2	12.86	5.03	10.88	10.90	162.39	162.41	160.11	158.90	65.18	166.80 (18/11)	62.05 (2/1/75)	211.65 (1/6/72)	59.76 (11/12/74)
18	Food Retailing (16)	145.23	+1.4	10.93	4.77	13.32	13.32	145.28	143.11	140.91	139.72	58.57	155.68 (10/11)	57.16 (2/1/75)	255.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	163.47	+0.6	15.97	6.18	10.71	10.71	162.55	162.25	159.17	156.00	56.16	163.47 (2/1/76)	55.06 (6/1)	250.29 (18/1/72)	55.06 (6/1/75)
20	Packaging and Paper (13)	105.90	+1.7	20.53	7.21	7.14	7.15	104.15	103.79	102.06	101.66	45.11	107.12 (20/5)	43.46 (6/1)	135.59 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	126.68	+2.6	11.91	5.54	12.84	12.84	123.43	123.02	120.06	119.20	55.79	132.94 (24/10)	52.63 (6/1)	204.30 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	165.60	+1.5	14.36	6.52	8.96	8.40	163.14	163.62	160.61	156.96	65.59	165.60 (2/1/76)	59.91 (6/1)	253.72 (17/9/68)	62.56 (11/12/74)
23	Tobaccos (3)	223.99	+1.5	15.49	5.02	9.82	9.82	220.70	221.21	215.69	214.07	110.34	223.99 (2/1/76)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.21	−0.1	22.99	6.39	6.09	6.09	62.14	61.91	61.24	61.09	21.47	63.76 (20/11)	20.92 (6/1)	155.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	199.46	+1.0	14.04	4.85	9.99	9.98	197.53	197.10	195.12	193.15	74.35	199.46 (2/1/76)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	85.09	—	15.67	6.12	8.95	8.95	85.10	84.75	84.55	84.96	47.56	104.75 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	372.65	+1.1	20.23	6.62	6.32	6.06	368.48	365.11	351.56	349.15	201.22	404.18 (18/11)	194.36 (6/1)	517.00 (5/12/73)	90.80 (29/6/62)
28	Miscellaneous (46)	156.79	+1.3	15.29	6.71	9.62	9.61	154.77	155.76	151.25	150.10	65.73	156.79 (2/1/76)	60.39 (6/1)	258.63 (3/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	152.00	+1.4	14.40	5.70	10.18	10.12	149.96	149.67	147.10	145.92	60.64	152.00 (2/1/76)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	338.25	+2.1	14.88	4.76	7.51	6.72	331.38	332.20	329.67	322.84	107.45	338.25 (2/1/76)	105.83 (2/1/75)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	167.51	+1.5	14.48	5.55	9.65	9.39	165.06	164.88	162.39	160.66	64.56	167.51 (2/1/76)	63.49 (6/1)	227.98 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	139.13	+2.3	—	5.08	—	—	136.02	135.44	132.96	131.47	57.72	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	168.63	+1.5	17.26	4.77	8.84	8.84	165.62	165.90	162.56	161.35	64.84	177.11 (5/6)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	180.24	+3.0	—	[illegible]	—	—	175.05	172.22	167.46	166.62	86.55	180.24 (2/1/76)	84.13 (6/1)	293.13 (2/7/72)	61.40 (10/12/74)
35	Hire Purchase (5)	104.50	+0.9	—	6.32	—	—	103.58	103.56	101.14	99.85	45.07	134.39 (10/3)	42.81 (6/1)	433.72 (4/6/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	121.81	+3.8	—	5.61	—	—	117.40	116.84	114.67	113.50	45.46	129.31 (18/11)	44.88 (2/1/75)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	107.66	+2.0	—	6.37	—	—	105.57	104.95	103.60	102.30	45.34	123.90 [illegible]	44.47 [illegible]	155.75 [illegible]	43.96 [illegible]
38	Insurance (Brokers) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (17)	[illegible]	[illegible]	—	[illegible]	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	ALL-SHARE INDEX (650)	160.52	+1.5	—	[illegible]	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	FIXED INTEREST	Friday Jan. 2 Index No.	Yield %	Wed. Dec. 31	Tues. Dec. 30	Monday Dec. 29	Wed. Dec. 24	Tuesday Dec. 23	Monday Dec. 22	Friday Dec. 19	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value tables; † Redemption yield. FT-Actuaries indices [illegible]. Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 18p. CONSTITUENT CHANGES: [illegible]

MONEY + EXCHANGES

Minimum Lending Rate 11%

Bank of England Minimum Lending Rate 11 per cent. (since January 2, 1976)

The Treasury bill rate fell by 0.1517 per cent. to 10.4923 per cent. at yesterday's tender and the Bank of England Minimum Lending Rate was reduced by ¼ per cent. to 11 per cent. The minimum accepted bid was £97.38, compared with £97.34 on Christmas Eve, and bids at that level were met as to 16 per cent. The £300m. bills tendered and allotted attracted bids of £1,166.95m., compared with £814.24m., for a similar number of bills last week. Next week £200m. will replace the same amount of maturities.

Day-to-day credit was in very good supply in the London money market and the authorities sold an exceptionally large amount of Treasury bills to the Discount houses and banks to absorb the surplus. Banks brought forward very large surplus balances and a fall in the note circulation was also in the market's favour. On the other hand, there was a net market take-up of Treasury bills, revenue payments to the Exchequer outweighed Government disbursements, the authorities held maturing local authority bills, and settlement was made of moderate gilt-edged sales.

Discount houses paid 10¼-10½ per cent. for secured call loans at the start, and closing rates were around 7-7½ per cent.

Short-term fixed period interest rates were reduced again, with the three-month sterling certificate easing to 10¹¹⁄₁₆-10⅝ per cent., from 10⅞-10¾ per cent.

Jan. 2 1976	Sterling Certificates of deposit	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ◆	Bank bills ◆	Fine trade bills ◆
Overnight	—	8-10½	—	—	—	9-10½	7-10¼	—	—	—
2 days notice	—	—	10¼-10½	—	—	—	—	—	—	—
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

EXCHANGES AND BULLION

[illegible]

EXCHANGE CROSS-RATES

[illegible]

EURO-CURRENCY INTEREST RATES

[illegible]

FOREIGN EXCHANGES

[illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

BASE LENDING RATES

AFT International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11 %
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11½%
Consolidated Credits	12 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	11 %
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Schlesinger Limited	[illegible]
E. S. Schwab	[illegible]
Security Trust Co. Ltd.	[illegible]
Shenley Trust	[illegible]
Standard Chartered	[illegible]
Sterling Credit	[illegible]
Thames Guaranty	[illegible]
Trade Development Bk.	[illegible]
Twentieth Century Bk.	[illegible]
United Bank of Kuwait	[illegible]
Whiteaway Laidlaw	[illegible]
Williams & Glyn's	[illegible]
Yorkshire Bank	[illegible]

■ Members of the Accepting Houses Committee. [illegible]

CORAL INDEX
Close 385-390

I.G. INDEX
GOLD 139-142

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

GOLD MARKET

[illegible]

SPECIAL DRAWING RIGHT RATES

[illegible]

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. Ltd. (a)(g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Capital	22.4	23.8	+0.2	4.12
Abbey Income	27.1	28.8	+0.1	5.76
Abbey Inv. Tst. Fd.	26.6	28.3	.....	4.07
Abbey Gen. Tst.	34.3	36.5	+0.2	4.14

Allied Hambro Group(a)(g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Allied 1st	51.1	54.6	+0.4	5.20
Brit. Ind. 2nd	50.5	53.7	+0.4	5.22
Growth & Inc. Tst.	28.5	30.4	+0.2	5.92
Elect. & Ind. Dev.	24.4	26.0	+0.2	5.46
Met. Min. & C'dty.	35.1	37.5	+0.3	5.60
Allied Capital Tst.	54.4	58.1	+0.4	5.38
High Income	47.4	50.6	+0.4	6.76
Equity Income	28.8	30.8	+0.2	6.75
International	22.2	23.7	+0.2	2.19
High Yield Fund	43.1	46.0	+0.2	9.32
H. Fund	82.4	88.0	+0.2	5.09
H. Income Fund	40.8	43.6	+0.3	8.99
H. Recovery	98.1	104.8	+0.6	6.23
H. Smaller Co's	18.2	19.4	+0.1	4.68
2nd Smaller Co's	23.3	24.9	.....	7.30
H. Accum. Fund	21.6	23.0	+0.2	4.85
Secs. of America	41.5	44.2	+0.1	3.87
H. Exempt Jan. 2	134.0	141.1	-0.2	6.33

Arbuthnot Securities Ltd. (a) (c)
11 Loven St., E'burgh EH3 9LH. 031-229 1422

Abacus Giants	30.1	32.4	.....	3.78
(Accum. Units)	32.8	35.3	.....	3.78
Growth Units	27.7	29.8	.....	4.83
(Accum. Units)	30.4	32.7	.....	4.83
High Inc. Units	29.7	31.9	.....	11.18
(Acc. Uts.)	34.7	37.3	.....	11.18
East & Intl. Agst.	18.1	19.4	.....	2.58
Green Compound	22.4	24.1	.....	9.50
Accum. Units	27.9	30.0	.....	9.50

Bridge Talisman Fd. Mgrs.♥ (a)(c)
5-8, Mincing Lane, E.C.3. 01-623 4951

BT Income	178.8	190.0	.....	8.33
BT Capital Inc.	27.2	29.0	.....	1.94
BT Capital Acc.	28.0	29.8	.....	1.94
BT Exempt	88.0	94	.....	5.31
BT Intl. Inc.	13.5	14.7	.....	4.28
BT Interl Acc.	13.8	15.1	.....	4.28

Prices on Dec. 24. Last sub. day Dec. 31.

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	41.8	43.6	+0.4	6.57
BL Balanced*	33.9	35.8	.....	6.23
BL Capital*	33.2	35.1	.....	4.33
BL Dividend*	30.8	32.6	.....	8.02

*Prices on Dec. 30. Next dealing Jan. 7.

Brown Shipley & Co. Ltd.♥(z)(c)
Mngrs. Founders Ct., EC2. 01-600 8520

Brown Shipley	153.0	158.0	.....	6.08
Accum. Units	177.2	182.2	.....	6.08

*Prices on Dec. 30. Next sub. day Jan. 8.

Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen. Dist.	30.2	32.3	+0.4	4.27
Do. Gen. Accum.	34.0	35.8	+0.4	4.37
Do. Inc. Dist.	27.2	28.7	+0.3	7.68
Do. Inc. Accum.	31.2	32.7	+0.3	7.68

Capel (James) Mngt. Ltd.♥
100 Old Broad St., EC2N 1BQ. 01-588 6010

Capital	60.0	62.5	3.93
Income	54.5	56.7	7.28

Prices on Dec. 17. Next dlg. Jan. 7.

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn House, Newcastle-upon-Tyne. 21165

Carliol	56.9	59.4	3.69
Do. Accum. Units	66.8	69.5	3.69
Do. High Yield	29.2	31.2	8.85
Do. Accum. Units	30.6	32.6	8.85

Next dealing day Jan. 14.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pro* Dec. 23	112.3	119.6	3.60
Accum. Uts. Dec. 23	125.4	133.7	3.60
B'gate Int. †Dec. 30	110.1	117.8	3.46
Accm. Uts. †Dec. 30	113.9	126.8	3.46

Next sub. day †Jan. 6. *Dec. 31.

Brandts Ltd.♥
36, Fenchurch St., E.C.3. 01-626 6599

Brandts Cap.	95.9	102.0	+2.0	2.82
Do. Accum.	104.5	112.5	+2.0	2.16
Brandts Inc.	109.6	116.8	+3.0	7.58

Next sub. day Jan. 5

G.T. Unit Managers Ltd.♥
16, St. Martin's-le-Grand, EC1. 01-600 9461

G.T. Cap. Inc.	58.9	62.7	+0.6	3.90
Do. Acc.	67.6	71.9	+0.7	3.50
G.T. Inc. Fd. Un.	105.9	111.8	+0.5	8.90
G.T. U.S. & Gen.	116.9	124.3	.....	7.10
G.T. Japan & Gen.	178.9	189.5	.....	0.88
G.T. Pens.Ex. Fd.	112.1	117.8	.....	2.50

G. & A. Tst. Mgrs. (a) (g)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	24.5	26.1	+0.2	5.81

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	26	.....	Craig Ship. £1	335	-20	Shiloh Spinn.	22	-1
Ash Spinning	33	.....	Hallam Sleigh 10p	5	.....	Sindall (Wm.)	53	.....
Bertam	20	.....	Higsons Brew.	73	+1			
Bdg'wtr. Est. 50p	185	.....	I.O.M. Stm. £1	136	.....	IRISH		
Clover Croft	35	.....	Holt (Jos.) 25p	265	+5			
Craig & Rose £1	320	.....	Kleen-e-Ze	15	.....	Alliance Gas (£1)	80	.....
Dyson (R.A.)	35	.....	Lovell's Ship £1	70	.....	Carroll (P. J.)	125	.....
Ellis & McHdy.	52	.....	N'thn. Goldsmith	65	.....	Clondalkin	45	.....
Evans F'k's. 10p	33	.....	P.M.A.	30	.....	Concrete Prods.	72	.....
Evered	10	.....	Pearce (C. H.)	120	.....	Goodbody (£1)	36	.....
Fife Forge	40	.....	Peel Mills	12	.....	Helton (Hldgs.)	27	.....
Finlay Pkg. 5p	16	.....	Richards 10p	13	.....	Irish Distillers	66	-1
Frost & Reed 20p	135	.....	RobbCaledon	44	+1	Irish Wire	[illegible]	+5
Gardiner & Sons	11	.....	Sayers 12½p	8	.....	Jacob	72	.....
Gardner (L.)	75	+1	Sheffield Brick	45	.....	Sunbeam	8	.....
			Sheff. Refrshmt.	140	.....	Unidare	63	.....

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.
8 Church St., St Helier, Jsy. C.I. 0534 35511

CMF Ltd. Nov. 28	$US13.13	13.69	.....	—
CMT Ltd. Nov. 29	£26.48	10.75	.....	—
Metals Tst. Dec. 18	£9.28	9.53	.....	—
TMT Dec. 11	$US7.96	10.22	.....	—
TMT Ltd. Dec. 11	£18.25	10.52	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd	$11.06	+0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium

CANADIANS

S.E. List Premium

Conversion factor 0.6160 (0.6185)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا اصل الأصل

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	370	+20	Q20c	ϕ	3.0
£14	500	E. Rand Prp. R1	510	+10	Q35c	ϕ	3.8
105	21	Rand Leases 2½c	21	−2	—	—	—
£34½	£15¼	Randf'tn Est. R2	£18	+½	—	—	—
500	130	West Rand R1	140	+5	Q10c	ϕ	3.9

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken R1	198	+10	Q52c	1.0	14.5
23	5	Daggafontein 50c	9	......	—	—	—
105	33	East Dag R1	34	......	—	—	—
140	£	Geal. Areas 5c	140ǂ	......	—	—	—
380	110	Grootvlei 30c	128xd	+5	Q20c	ϕ	8.6
820	385	Kinross R1	530	+30	Q54c	1.4	5.6
90	58	Leslie 70c	66	+1	Q12c	1.4	15.1
550	165	Marievale 70c	230xd	+5	Q42c	ϕ	10.1
725	175	S. African Ld. 35c	215xd	+15	Q30c	ϕ	7.7
265	82	Vlakfontein R1	103xd	−2	Q20c	ϕ	10.7
£13¾	660	Winkelhaak R1	920	+70	Q108	1.1	6.5
120	33	Wit. Nigel 25c	40	......	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25	710	+5	‡Q100c	1.3	‡
£21½	£12⅛	Buffels R1	£13¾	+½	Q180c	1.4	7.5
430	185	Deelkraal R0.20	195	+5	—	—	—
£14¼	590	Doornfontein R1	760xd	+25	‡Q110c	1.4	‡
£12¼	725	East Drie R1	965xd	+15	Q75c	ϕ	4.3
450	172	Elsburg R1	190	+5	Q33.8c	ϕ	9.8
£31	£15	Hartebeest R1	£18	+½	Q215c	1.4	6.6
£15¾	620	Kloof Gold R1	690xd	+15	Q55c	1.4	4.4
£17¼	525	Libanon R1	760xd	+20	‡Q110c	1.9	‡
£13¾	600	Southvaal 50c	740xd	+40	Q5c	ϕ	0.6
480	200	St Hontein 50c	230	+20	Q36c	ϕ	8.6
£33¼	£17	Vaal Reefs 50c	£20½xd	+¾	Q175c	ϕ	4.7
£11½	280	Venterspost R1	420xd	+40	‡Q70c	0.9	‡
£55	£33	W. Drie R1	£34½xd	+½	‡Q485c	1.2	†
745	275	W'st'rn Areas R1	315	+10	Q52c	ϕ	9.1
£23	£13	Western Deep R2	£15xd	+½	Q147½c	ϕ	5.4
536	275	Zandpan R1	290	+5	Q35½c	1.0	6.8

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	160	Fr. State Dev. 50c	160	−10	Q14c	1.6	4.8
£32¾	£19	F.S. Geduld 50c	£21½	+¼	330c	1.3	8.4
265	105	F.S. Saaiplaas R1	115	+3	25c	2.6	2.9
960	395	Harmony 50c	465	+15	Q77c	1.8	9.1
575	140	Loraine R1	195	+5	Q6c	0.5	1.7
£28¼	£15¼	Pres. Brand 50c	£17¾	+1	Q250c	1.3	7.8
£25¾	975	Pres. Steyn 50c	£13	+⅝	Q125c	2.2	5.3
£39¾	19¾	St. Helena R1	£22½	+1	Q250c	1.2	6.1
340	160	Unisel	174	+4	—	—	—
525	245	Welkom 50c	280	+5	Q55c	1.7	10.9
£40	£21½	W. Holdings 50c	£25¾	+1	Q475c	1.2	11.5

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	313	Ang. Amer. 10c	355	......	Q29c	2.0	4.5
£45½	£26¼	Ang. Am. Gold R1	£28½	+¼	†Q250c	1.4	4.9
£16¼	850	Ang-Vaal 50c	£12	......	†Q95c	3.7	4.2
205	87	Charter Cons.	186	+6	6.21	2.2	5.1
290	188	Cons. Gold Field	220	+6	6.7	4.3	4.7
32	17	E. Rand Con. 10p	19	......	0.92	1.4	7.5
435	230	Geduld Inv. R1	320	......	†Q34c	0.4	5.9
£38¼	£17	Gen. Mining R2	£29½	......	†Q210c	2.1	4.9
£39	£20½	G. Fields S.A. 25c	£22	+½	Q225c	1.3	5.6
£27¼	£12	Jo'burg Cons. R2	£22	......	Q165c	2.5	4.2
530	60	Middle Wit 25c	320	......	†Q28c	2.0	4.8
315	182	Minorco SBD1.40	222	+2	Q14c	—	3.5

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ǂ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- — Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Saturday January 3 1976

MAN OF THE WEEK

Cutting through steel

BY ROY HODSON

A MAN who confronts the unions with a plan to get rid of 44,000 steel workers and adds the rider "that's just for starters" as Robert Scholey, the chief executive of the British Steel Corporation, did last Tuesday *must not mind being seen* variously as a national saviour or "the hammer of the workers."

Scholey has no illusions about the harshness of his message or the pungency of his delivery which turned a mundane meeting into an historic moment for Britain's eight-year-old nationalised steel industry. He chose the moment, and the form of words, quite deliberately because he believes it is time that everyone's hair be made to stand on end about the state of steel now (BSC is

losing £8m. a week) and the horrors of what could happen to the industry in the future unless strong action is taken. The implication of his action is also that he is offering himself to the Government and the public as a strong man capable of doing the job.

At 54 he is one of a tiny band of steel-makers with truly international reputations. Until quite recently he tended to concentrate upon keeping the wheels turning in the BSC plants while the chairman, Sir Monty Finniston acted as front-of-house *man. If Finniston does not* want, or is not offered, a further period as chairman next September, it is likely that a distinguished outsider will be appointed. Either way Scholey will have wide freedom and a consolidated power base to get on with a realistic manning policy.

Since Scholey started in steel before the last war with the Sheffield steel firm his father worked for he has been an eye-witness of, in the earlier years, deteriorating relations between shop-floor steel workers and managements and, more recently, an industry becoming "progressively unmanageable"—his words.

When Finniston and Scholey recognised that labour was the kernel of the BSC's growing plight they talked of shedding more than 40,000 jobs over five years. But that did not reflect Scholey's way. "Better a short war than a long one," he is now saying as he contemplates doing it in two years.

His chief asset in that war is likely to be his own personality. He is a big, burly man *who can growl or shout and* spice his language to match that of any combative shop steward. His Sheffield accent owes more to his shop floor years than his university training as an engineer. He has no doubts personally that if the manning figures can be got right the industry can perform well. The second phase of his policy will be to shuffle the pack of remaining men and management to improve output. Given that cooperation he says "We would bloody streak off."

There is also a gentle man *inside this tough steelmaker.* He gardens at week-ends and he and his wife spend their holidays pursuing their own Etruscan quest, camping in remote corners of Italy. A minor ambition is to have time to explore the Asia Minor sites. He startled the BSC headquarters staff by having them in to see his movie films of the last holiday trip.

The private steel companies would consider him a valuable catch at a far higher salary than his £25,000 but he does not intend to leave BSC. The message is getting around that Bob Scholey is a man with at least another ten years to give to the BSC and that he is wholly committed. His hope is that some brilliant and youthful management talent will be prepared to join him on what he admits will be a rough ride.

Rees and Unionists meet on Monday

BY ALAN WATSON IN BELFAST

MR. MERLYN REES, the Ulster Secretary, is to have a final round of discussions with Unionist leaders on Monday.

He will see Mr. Harry West and the Rev. Ian Paisley for what will be the culmination of a busy programme of meetings since the report of the Northern Ireland Convention was submitted in November.

With the Government due to give its verdict on the report on Monday week, Mr. Rees will again be looking for signs that *a recall of the 78-member Con*vention would be worth while.

However, he has already been told by Mr. West that the Unionist coalition is extremely unlikely to enter into fresh talks if it is asked to consider any major changes in its constitutional recommendations.

Mr. Rees has no plans to put the power-sharing issue to the Ulster people although provision exists for the Government to hold a referendum. The obvious danger lies in the possibility of a rejection of the idea of a voluntary coalition: even a narrow majority in favour would present enormous difficulties.

Provocation

The Government was warned yesterday that it could be in danger of provoking a confrontation with Ulster, leading to a unilateral declaration of independence.

The Northern Ireland Labour Party forecast that if the Government rejected the report produced by the majority Unionist coalition, there would be an all-out clash between the Ulster majority and the British Parliament.

The NILP, although it has only one representative in the Convention, is regarded as a useful guide to "Loyalist" opinion because of its links with the Protestant community, particularly in working-class areas of Belfast.

In a policy document, to be distributed to MPs before the Commons debate on the report on January 12, the NILP warns of the dangers which the Government faces in its treatment of the Unionist inflexibility on demands for a return of majority rule to the Province.

It said: "We urge the Government to refrain from any impatient rejection of the Convention report, a rejection which might well set Ulster on a course leading inevitably to independence and leading, equally inevitably, to the outburst of a violent holocaust at Britain's backdoor."

It was also difficult to see what could be achieved by referring the report back to the Convention, it said.

The Party's own alternative is for the Government to accept that there could be no enforced sharing of power, so leaving the way clear for talks on voluntary coalition—the plan promoted by Mr. William Craig, the Vanguard leader, but which was rejected by the majority of his coalition colleagues.

The NILP Convention member, Mr. David Bleakley, who represents predominantly Protestant East Belfast, said that with the fear of enforced power-sharing removed, a number of more moderate Unionists might be prepared to go back to the conference table for talks on a voluntary coalition, to include representatives of both communities.

Philip Rawstorne writes: Mr. Rees will outline the Government's proposals for the recall of the Ulster Constitutional Convention when the Commons reassembles on January 12.

He is confidently expected to reject the Convention's first report, which is to be debated that day, and to restate firmly the demand from Westminster for some kind of power-sharing arrangement between the Northern Ireland communities for the government of the province.

There is, however, little optimism among MPs about the prospects of a successful solution emerging from the recall of the Convention and Mr. Rees is unlikely to put forward any detailed ideas.

There is certainly no indication that the Government is yet prepared to contemplate a referendum in Northern Ireland on the power-sharing issue.

Oporto deaths may bring new Portugal unrest

BY PAUL ELLMAN

LISBON, Jan. 2.

THE PORTUGUESE Government to-day faced angry protests over last night's shooting of three people during a Left-wing demonstration on behalf of military prisoners held for their alleged part in the abortive rebellion last November. Seven other people were injured when the Republican National Guard (GNR), the Portuguese gendarmerie, fired into the crowd outside the Custoias prison near Oporto.

The demonstration had been called by families and supporters of more than 100 men who were taken to the prison after the November 25 rebellion.

According to an official spokesman in Oporto, the GNR fired into the crowd only after hearing what seemed to be pistol fire coming from the demonstrators and when it appeared that the *crowd was about to attempt to* storm the prison in order to help the detainees to escape.

The three dead included a West German, whom the authorities claim was known to have links with Portuguese revolutionary groups. Among the seven injured was the three-year-old daughter of Lieutenant-Colonel Arnao Metelo Antigo, a former Vice-Premier in the fifth Provisional Government and the most senior officer in Custoias. His daughter was hit by a bullet in the stomach.

Disquiet

The shootings outside Custoias, along with the use of commandos to clear protesters from outside the Caxias prison near Lisbon, came in the wake of increasing disquiet over the failure of the Portuguese authorities to bring to trial both Left and Right-wing detainees held since the April 25 coup in 1974.

There was also considerable fear in Lisbon that the Left might use the funerals of the victims to stage demonstrations designed to bring it back from the political wilderness to which it has been confined since November 25.

In what may be an augury of further protests to come, a bomb was thrown at the GNR headquarters in Oporto early to-day.

Yesterday's actions brought strong criticism from local newspapers, one of which published a photograph on its front page of a commando using his rifle butt *against a demonstrator out*side the Caxias prison under the headline: "Return to violence."

The civil governor of the northern region has announced a ban on all further demonstrations outside the Custoias prison, which has been the scene of almost continuous protests over Christmas and New Year by families and friends of Left-wing detainees.

The slow road back to work

BY OUR INDUSTRIAL STAFF

SUBSTANTIAL parts of industry were still on holiday yesterday after a break that had in many cases begun on the Tuesday before Christmas Day. The move back to work in 1976 got off to a very slow start.

There was little activity in the steel industry, in shipbuilding, mining or in motor manufacturing. Large areas of the engineering industry remained shut down until Monday.

Many service companies also took the view that not much work would be done yesterday and allowed up to 40 per cent. of staff to have the day off. One building society office, for instance had allowed half the staff to have New Year's eve off and the other half to be away yesterday.

Last night a spokesman for one of the major clearing banks confirmed that, as expected, business was well down compared with the same period last year.

The result of the sharply diminished numbers working could be seen on the roads *and public transport.*

Traffic levels over the Christmas holiday period have been sharply reduced according to the Automobile Association. Commuter traffic has been around 60 per cent. below last year's levels due to the closure of large numbers of factories and offices.

British Rail cut its timetables anticipating the fall-off in people travelling to work, though Southern Region stated that large numbers of people had been catching trains into Central London for the sales.

On the buses and tubes in London yesterday London Transport reported that the numbers carried was "well down" on those of a normal Friday.

Staff at both the TUC headquarters and the Labour Party Headquarters were still on holiday and taped telephone *messages told inquirers that* they would be back on Monday. But at the Conservative Central Office it was business as usual. "Some of our people have taken a holiday but we have seen to it that they have someone standing in for them," a spokesman said.

At the various ministries staffing was reduced considerably. For example, a Department of the Environment spokesman stated: "Our 1976 leave entitlement becomes due to-day, so many people have applied to have the day off. I estimate we have only about half the staff in."

Continued from Page 1

Minimum Lending Rate down

MLR has now returned to its level in October, before the authorities forced a sudden 1 per cent. rise to hold funds in London and move the gilts market onto a new base. Since then, the Federal Funds rate in New York has fallen from 6¼ per cent. to 5¼, and is now expected to ease further, and the yields on corporate and Government bonds *have also fallen sharply.*

The first sign yesterday that MLR might come down was the announcement at about 2.30 p.m. that the highest accepted rate was 10.5088 per cent., at which level only 15 per cent. of applications was allotted. This figure suggested an average below the trigger-point of 10.5 per cent.

The final average and the cut in MLR was announced a few minutes later than the normal *time of 3 p.m., which some City* observers read as indicating buying from unusual sources. In the event, the average tender rate was 10.4923 per cent., compared with 10.6440 last week.

MLR was raised to 12 per cent. on October 3. There were quarter-point falls on November 14 and 28, and a further cut on Christmas Eve. Most of the market had expected that, because of the holidays, any *further reduction would wait* until next Friday at the earliest.

Continued from Page 1

Last Chrysler plant accepts deal

seeking more detailed knowledge on future intentions in relation to the closer integration of Chrysler's U.K. and European operations. This is one of the key features involved in Government assistance.

Without the link with Simca there is no doubt that Ryton would have had to be closed entirely in order to save the Linwood plant in Scotland, where Avenger production is to be moved to replace the Imp and Hunter and pending the introduction of new models.

Linwood is also associated with the Stoke engine factory in Coventry in supplying Iran with Hunters in kit form, an export contract worth around £100m. a year. Shipments since last sumer have had to be seriously curtailed because assembly and other facilities in Iran could not be expanded quickly enough, and it will be summer before they can be renewed at normal levels. A Chrysler team is in Iran helping to sort out the problems.

Chrysler's truck and van factories at Luton and Dunstable have been much less affected by the labour run down, and the only factory to be wholly closed is one at Maidstone, employing some 500. Machining work there will be placed at other factories, including Ryton.

This was announced by Mr. Pat Fox, Transport and General Workers Union convenor at Ryton, at yesterday's meeting. In negotiations that preceded it the stewards were able to get some small modifications on the operation of the two phases of redundancies by February 2 and the end of June. As a result 1,480 instead of 1,600 will be *leaving this month,* and 880 by the summer instead of 770. At the nearby Baginton factory, phase one has been cut by ten to 50 people.

The company will be including voluntary redundancy forms in the next pay packets, with the warning that adequately balanced labour forces must be maintained.

Slower Class 2 mail from Monday

BY LORNE BARLING

MANY SECOND-CLASS letters will take longer to be delivered from Monday as a result of measures being introduced by the Post Office to reduce costs. It is intended to save £60m. in the current financial year.

The *decision* to reduce the number of workers handling the second-class mail, taken with the full approval of the Post Office Users' National Council, follows recent suggestions that the Post Office should end the second postal delivery at an estimated saving of £25m.

With 75 per cent. of the Post Office's overall costs being accounted for by wages, savings must come from this area. Reducing the speed of the second-class post means that less workers need be employed on expensive night-time and week-end sorting.

But the Post Office is still concerned at the impact of the autumn price increases on its revenue and fears that any further rises may be counter-productive, causing a decline in total revenue.

Consequently, it has decided to cut back on the second class service, although it still expects *that more than half the letters* will be delivered within two days, and the rest the day after.

The change should not have any major effect on the balance between first and second class post, which in November stood at 40 per cent. and 60 per cent. respectively.

Vetoed

However, in view of the magnitude of economies the Post Office is now being forced to consider, Sir William Ryland, its chairman, is likely to be faced with more difficult decisions in future. The saving of about £4m. in wages by cutting second class deliveries is clearly insufficient.

Various cuts in service which the Post Office proposed at the time of its last price increase have been vetoed by the Government and Monday's measure is comparatively minor. The *original cuts were designed* to save nearly £20m. a year and involved closing all counters on Saturday afternoons, ending Sunday collections and second deliveries in rural areas and some towns.

Climb-down by BSC claimed

By Our Labour Correspondent

STEEL workers' leaders at Corby, Northants, last night claimed that their militant opposition to the British Steel Corporation's cost-cutting proposals had forced local manage*ment to soften the impact of* the measures due to begin to-morrow.

Mr. John Cowling, South Midlands executive member of the Iron and Steel Trades Confederation, last night claimed a "victory" after hearing that fewer than 400 of the 13,000 Corby workers would be affected by the planned curbs on week-end shift working—and that these would be re-deployed.

But a BSC spokesman stressed that there had been no climb-down and that the offer of re-deployment was possible because the corporation's policy of non-replacement of labour had left *some areas of the Corby plant* "considerably below strength." *This* meant there was scope for switching some week-end shift workers, a move in line with the BSC's main aim of maintaining efficient operation of plant.

Mr. Cowling, however, remained adamant that the Corby workers' threat to strike if any of them are sent home had paid off causing management to "back-down," and, adding that workers at other BSC plants should take note.

By then, workers at several other BSC plants had already met and threatened protest action over the proposed BSC cut back, which in addition to the pruning of week-end shift working, from to-morrow, will go on to include suspension of the guaranteed working week from the following week-end and the ultimate loss of some 44,000 jobs.

Representatives of 4,000 workers at the Velindre and Trostre *tinplate works in West* Wales yesterday decided on industrial action if the Corporation did not start immediate talks over planned cutbacks.

Steel workers at Ebbw Vale decided to join colleagues at the Llanwern works near Newport in defiance of the shift cuts.

They will report formally for work at both plants to-morrow, although the management will have no work for them. Mr. Malcolm Bourton, secretary of the Ebbw Vale works council, said: "We are not prepared to accept that the Corporation can unilaterally break a national agreement without any real consultations."

THE LEX COLUMN

The year of the nervous bull

Index rose 9.1 to 384.8

Share prices started the year in a manner which fits in with most recent year-end market comment. The FT 30-Share Index was already moving up strongly earlier in the day, and the surprise news of cuts in MLR and bank base rates helped it to flick up to a new bull market high by the close. The Christmas/New Year rally has added around 8 per cent. to the Index.

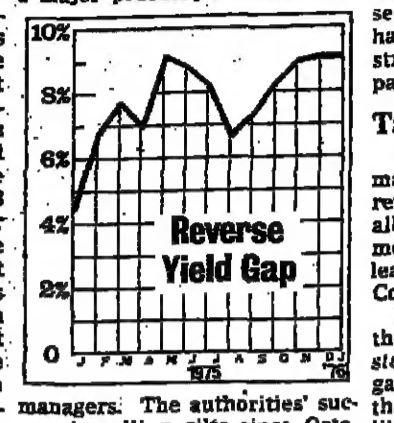
Despite the general bullishness the equity market has failed to achieve any decisive break above the levels first achieved last June. This prolonged sideways movement is nothing unusual for a bull market: there was a noticeable midway pause in the 1967-68 uptrend, and an even lengthier period of consolidation in the 1971-72 bull phase. The market hit 400 in May, 1971, and was still around that level in November, which saw the start *of the second major leg of the* upswing taking the Index up to a peak of 543.6 in May. Incidentally, New Year opinion in 1972 also tended to be bullish.

Recent patterns in U.K. equities can be tied into a world picture in which markets generally started to pick up in late 1974 and early 1975 and then found the going tough in the last six months. The turnround was based upon changes in the monetary climate, producing sharp declines in international interest rates, but there has been little or no fundamental support for share prices so far from profits or economic growth. At home the CSO's index of leading cyclical indicators has been wobbling in recent months, while the strength of the U.S. recovery is still a matter for wide debate.

Yet both in the U.S. and the U.K. there is now increasing evidence of a sustained recovery in profits. Thus forecasts of growth in U.K. company profits in 1976 commonly extend to around a fifth, while company liquidity is on a strongly improving trend. And we have not yet reached the stage at which the economic recovery starts to push up interest rates and divert funds from the long term capital markets.

Interest rates

Moreover, yesterday's MLR cut, which came as a surprise to the discount houses, suggests that the Bank of England is quite keen to see interest rates somewhat lower. MLR is now back to where it was before October's one-point hike, which was partly a response to unhealthy monetary developments in the preceding weeks. Arguably, the October MLR jump offset much of the potential buoyancy of equities in the last quarter of 1975 when the scale of the reverse yield gap became a major preoccupation for fund



managers. The authorities' success in selling gilts since October has removed the immediate money supply pressures and the way ahead looks a little clearer.

International constraints have also eased recently. The U.S. authorities appear to have the monetary aggregates under control, and it is hard to imagine that any tougher policy will emerge at a time when the economic recovery may be faltering and the Presidential election is looming.

*This more favourable back*ground for gilt-edged is of unusually crucial importance to equities because of the size of the reverse yield gap. Of course, the market has learned to live over the years with a progressively rising yield differential, but at a time when dividend increases are limited to 10 per cent. a gap of close to 9 per cent. amounts to a formidable barrier. That is why a number of equity analysts have suddenly started to make glowing comments about the prospects for gilts.

So although the very recent rally has been achieved in suspiciously thin trading, conditions over the next few months should be right for a further rise in share prices. There are already signs that the equity market is entering a mature bull phase during which the emphasis, on precedent, is likely to switch from blue chips towards higher risk situations leading ultimately to the speculative fringes.

In the stores sector, for instance, GUS and Marks ha[illegible] barely penetrated their hig[illegible] last June, whereas Woolwo[illegible] *is making* new peaks da[illegible] while among engineers leade[illegible] like Guest Keen, Vickers a[illegible] Tubes are also around th[illegible] midsummer levels, *in mark* contrast to the firmness second line groups such Wolseley-Hughes and W[illegible] Group. Properties, wh[illegible] formed much the weak sector over 1975 as a who[illegible] have been far and away strongest performers over past four weeks.

Takeover revival

The speculative overto[illegible] may also be enhanced by so[illegible] revival of takeover activ[illegible] albeit with the accent on agr[illegible] mergers, since contested affa[illegible] lead straight to the Monopol[illegible] Commission.

But 1976 is not going to the year when the Governm[illegible] *stops regarding investors as f[illegible]* game. It no longer has to wo[illegible] that equity prices are anyth[illegible] like so low as to threa[illegible] balance-sheets or fund raisi[illegible] Its new concern with pro[illegible] solely relates to the need capital investment and creation and there is no [illegible] dence that it is concerned ab[illegible] the impact on pension fu[illegible] and others of dividend contr[illegible] which it has said will be [illegible]tended beyond March this ye[illegible] The Government might e[illegible] tighten the dividend clamps summer, and as for inte[illegible] *rates, the Bank of England* already shown that it will hesitate to squeeze should monetary or other objectives endangered.

The first hurdle will be public expenditure White Pa[illegible] due sometime this month: leaks suggest that this is go[illegible] to involve substantial spend[illegible] cuts a year or two hence, the pruning may not come ea[illegible] enough if economic recov[illegible] starts on any scale before end of 1976. Financing an er[illegible]mous Budget deficit in a re[illegible]sion when the savings ratio unprecedentedly large is [illegible] thing, but it is quite anot[illegible] when the private sector sta[illegible] actively competing for availa[illegible] funds. This will be the fu[illegible] manager's preoccupation 1976: the warning signals t[illegible] will lead to a change in bullish stance will show up f[illegible] in the demand for credit fr[illegible] the private sector, as indica[illegible] by the bank lending and mo[illegible] supply figures, and in [illegible] serious upturn in commod[illegible] prices.

Weather

U.K. TO-DAY

WINTRY showers in N. and N.E. Dry with bright or sunny intervals elsewhere. Cold in the N.

London, S.E. and E. England, E. Anglia, Cent. S., Cent. N. England, Midlands

Channel Is., S.W. England, S. Wales

N. Wales, N.W. England, Lakes, I. of Man

Dry, bright spells, becoming cloudy from W. Wind N.W. moderate becoming light and variable. Max. 6C (43F).

N.E. England, Borders, Edinburgh and Dundee

Aberdeen, Cent. Highlands, Moray Firth, N.E., N.W. Scotland, Orkney, Shetland

S.W. Scotland, Glasgow, Argyll, Northern Ireland

Dry, bright spells becoming cloudy from W. Wind N. moderate becoming light and variable. Cold. Max. 4C (39F).

Outlook: Changeable. Rain *spreading east.* Snow on hills.

Lighting-up: London 16.33. Manchester 16.32, Glasgow 16.26.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	C	4	39	Madrid	S	7	45
Athens	F	15	59	Manchstr.	R	6	43
Bahrain	S	21	71	Melbourne	C	22	72
Barcelona	S	10	50	Mexico C.	S	17	63
Beirut	C	18	64	Milan	S	12	54
Belfast	R	9	48	Montreal	S	−9	16
Belgrade	F	8	46	Moscow	C	0	32
Berlin	C	1	34	Munich	C	8	46
Birmghm.	R	7	45	Newcastle	R	2	36
Bristol	R	11	52	New York	S	−3	27
Brussels	C	7	45	Oslo	S	−5	23
Budapest	R	2	36	Paris	C	11	52
B. Aires	C	23	73	Perth	F	28	82
Cairo	S	18	64	Prague	F	2	36
Cardiff	C	11	52	Reykjavik	S	−11	12
Cologne	C	6	43	Rio de J'o	S	31	88
Copnhagn.	S	1	34	Rome	F	16	61
Dublin	R	12	54	Singapore	C	29	84
Edinb'rgh	R	3	37	Stockholm	S	−3	27
Frankfurt	C	9	48	Strasbourg	R	9	48
Geneva	C	7	45	Sydney	C	26	79
Glasgow	Sl	2	36	Tehran	S	5	41
Helsinki	Sn	−4	25	Tel Aviv	C	17	63
H. Kong	S	20	68	Tokyo	S	14	57
Jo'burg	C	21	70	Toronto	S	−6	21
Lisbon	S	10	50	Vienna	F	12	54
London	C	9	48	Warsaw	C	1	34
Luxembrg.	C	8	46	Zurich	R	7	45

HOLIDAY RESORTS

Ajaccio	F	14	57	Jersey	C	11	52
Algiers	S	15	59	Las Plms.	F	20	68
Biarritz	S	12	54	Locarno	S	6	43
Blackpool	R	5	41	Majorca	S	15	59
Bordeaux	F	12	54	Malaga	S	14	57
Boulogne	Dr	9	48	Malta	S	17	63
Casablnca.	S	16	61	Nairobi	S	24	75
Cape Tn.	S	26	79	Naples	C	13	55
Corfu	F	14	57	Nassau	S	24	75
Dubrovnik	C	8	46	Nice	C	10	50
Faro	S	16	61	Nicosia	C	12	54
Florence	C	12	54	Oporto	S	12	54
Funchal	S	17	63	Salzburg	C	12	54
Gibraltar	S	15	59	Tangier	C	17	63
Guernsey	C	11	52	Tenerife	C	13	55
Innsbruck	C	11	52	Tunis	S	15	59
Inverness	Sl	2	36	Valencia	S	13	55
I. of Man	R	10	50	Venice	F	3	37
Istanbul	F	16	61				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dr—Drizzle. Sl—Sleet. Sn—Snow.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.